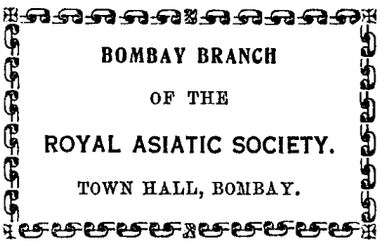
Financial Statement and Budget of the Government of India 1913-1914 to 1915-16

00134391



Digitized with financial assistance from

Government of Maharashtra

on 01 February, 2020

26
27
11

00134391

Speech of the Honourable Finance Member

INTRODUCING THE

FINANCIAL STATEMENT FOR 1913-14.

1343

Introductory.

I rise to present the Financial Statement for 1913-14. For the information of those Members who are new to the Council, I may state briefly the procedure to be followed. To-day there will be no debate, but beginning with the 7th March dates will be allotted for the detailed examination of my proposals and the discussion of any Resolutions that may be moved regarding them. Subsequently I shall have to consider what modifications are necessary, either in the light of our discussions or of later information which may become available. The Budget in its final form will be presented on the 20th and the final debate will begin on 24th March.

2. This is the fifth occasion on which the duty has fallen on me of reviewing the finances of India, and it is my good fortune that for a third time I am in a position to bear witness to the material well-being of this country. A year ago I framed my estimates on the assumption of a year of normal seasons and trade, and promising as the outlook may be, that is, in my judgment, the most favourable assumption which in the circumstances of India can be made with prudence. In looking back now over a period, the happenings of which it was then my duty to forecast, I shall have to describe a large improvement on our original estimates. The year that is drawing to a close has proved to be one of prosperity and of plenty, the results of which have easily outrun anticipations consistent with the principle of caution which I have suggested as necessary in our financial prognostications. But there is a shadow in the financial sunshine. While contemplating the general prospects a year ago as excellent, I said the uncertainties of the opium revenue still hung over us. The difficulties which I had then in mind have since then become acute, and we are faced with a loss of revenue which affects materially our financial arrangements in the coming year.

3. I propose in the first place to sketch the main features, agricultural and commercial, of the current year. The year opened well, for the winter rains, beginning in January, had been normal and timely, and the only thorn on the harvest rose was the distress in Kathiawar and some parts of Bombay, where famine, due to insufficient rainfall in the preceding year, had been declared. In the hot weather the auguries were unfavourable. A series of disturbances of the cold weather type continued to pass into India, delaying the establishment of the usual hot weather conditions, and in May there was an almost complete absence on the west coast of the irruptions of ocean winds which herald the advance of the monsoon. Thus the rains were late in beginning and were not established fully in the interior until the 10th of July. Their duration also was unusually short. In September they were very fitful, and they retreated from Northern and Central India a fortnight before the usual date. Stated in this way the history of the most important months in the year from the agricultural point of view may seem disappointing. For four weeks however from the time when it spread over Northern India the monsoon continued in abnormal vigour and yielded abundant rain. A beneficial break of ten days followed, and in the end of August and beginning of September the rain bearing currents again spread over India. For India as a whole the rainfall was little below normal, and, what is of more importance it was well distributed, no tract showing a very large deficiency. It is true that in Bengal and the eastern districts of the United Provinces, the early close of the rains was the cause of no little damage, specially to the rice crop and in portions of the Bombay Deccan the want of rain was severely felt. But there is never a monsoon that can be said without reservation to satisfy our ideals. At the end of November a rain bearing depression, which may justly be termed providential, traversed precisely those parts of the country where rain was needed. In the Bombay Presidency famine relief continued till October, and in three districts small numbers of people are still in receipt of gratuitous relief. In the United Provinces scarcity has been experienced in Mirzapur and a part of the Domains of the Maharaja of Benares, but with small exceptions the retrospect agriculturally is satisfactory. For the winter season we may

now anticipate an auspicious close. December, January and two weeks in February went by with scarcely a cloud, and we were beginning to despond when the atmospheric conditions changed and the rain was sent to us, welcome all the more because it had been so long delayed.

4. From the cause, in the seasons, we may turn to the effect in the harvests. The wheat crop of 1911 constituted a record which it would be difficult to equal; but the crop of 1912, if inferior to its predecessor, was in respect both of area and outturn very greatly better than the normal; in the United Provinces, one of the two chief wheat-producing provinces, the outturn indeed exceeded even the harvest of 1911. Rice had also been good; whilst of the other export staples, cotton had on the whole a favourable season except in parts of the Bombay Presidency and Hyderabad, and its total outturn was estimated at no less than 40 per cent. better than in the preceding year. The area under sugarcane has increased and the outturn is expected to be good; whilst jute has also shown considerable improvement. This year's rice crop has suffered to some extent in parts of Bengal and the United Provinces, but elsewhere the season has been not unfavourable and the outturn, though not up to that of 1911-12, should be considerably above the normal average of preceding years.

5. From this review of the agricultural reports I proceed to consider in the trade returns a more definite and statistical test of the year's prosperity. The results are striking. The value of our exports, I said last year, had been the highest on record, but the merchandise we have sent abroad between April and December 1912 exceeded in value by 17½ crores the corresponding exports of 1911. There was a considerable falling off in the case of linseed and raw cotton, but a great trade was done in grain, wheat, rice and barley; the exports of jute increased by 3 crores, and of hides and skins by 1½ crores. Nor was the improvement only in raw material; there was a very substantial advance in jute fabrics, in cotton twist and yarn and in tea. How the balance of trade was adjusted I shall show later on. At present I am concerned with merchandise, and under this head I note that our imports also in nine months have exceeded those of the previous year by 14¾ crores. In 1911-12 imports were active in April and May and then eased off in the ensuing four months, as if waiting, I said, upon the monsoon. In 1912-13 the same general tendency is observable; but the activity of April and May was greater and the comparative slackness in the following months less marked than in the preceding year. In the commodities for which we indented on other countries in exchange for our exports, half the increase roughly consisted of textile materials and fabrics generally, and piece-goods in particular; but there have been large increases also of sugar, hardware, machinery, iron and steel and railway plant. Combining both the inward and outward currents of trade, the value of our total seaborne commerce in merchandise during the first nine months of the year amounted to some 296 crores as against 264 crores in the preceding record year. The range of prices has doubtless been high, but I do not know that it is higher than in the preceding year, or consequently that the comparison I have drawn is misleading as an indication of the volume of trade. We know at any rate that railway traffic has been extremely active and on every side there are plain indications of a continuance of the progress and prosperity of the country.

Revised Estimate of 1912-13.

6. The effect of the conditions I have outlined is written large across our figures. The Budget for the current year was prepared for a revenue, Imperial and Provincial together, of £79⅓ millions; according to the latest revision of the estimate we now anticipate that we shall receive £87 millions, an improvement of £7⅔ millions, of which £5 millions will be secured from Opium and Railways The aggregate expenditure we think will exceed by only £171,000 that provided in the Budget. Of the net improvement, as will appear even from the figure I have just given for Opium and Railways, the great bulk has accrued in the Imperial account. Out of our revenues however we have distributed large grants to Provinces. After allowing for these grants, the surplus we retain is £3,362,000 as against a surplus anticipated in the Budget of £1,478,000.

Opium Revenue.

7. The position in regard to opium is as follows. The trade with China in Indian opium is governed by the agreement of 8th May 1911, the object of which was to assist the suppression of opium smoking in China by cutting off gradually the Indian supply. The trade, it was contemplated, would cease in 1917; but provision was made for its earlier termination on proof of the extinction of production in China

of the indigenous drug. The taxation of foreign and native opium was to be equalised. All restrictions on the wholesale trade in our opium were to be withdrawn, but the stipulations of the Treaty were not to derogate from the force of any ordinances then existing, or which the Chinese Government might in future pass to regulate the retail trade or suppress opium smoking. The Manchu Government gave convincing proof of its sincerity and of its ability to enforce anti-opium measures, and several of the Chinese Provinces were under the terms of the Treaty closed to Indian opium. With the revolution there was undoubtedly a recrudescence of poppy cultivation and an unwarranted interference with the trade in Indian opium. Presently however the central Government asserted itself. Not only were Presidential decrees issued enacting the severest penalties against opium cultivation, but it was ordained that opium smoking was to cease entirely by a given date. The campaign against cultivation had extended to a campaign against consumption.

8. The policy of the Government of India has throughout been correct and simple. We had in our agreement with China a programme of sales from year to year and we have adhered to it. Yet we have had strong inducements to vary our course. The operations of the Chinese authorities would frequently have justified us in denouncing the Treaty or declining to make the further reductions of sales for which the Treaty provided. We were sincerely anxious however to help China towards a great reform. We have not insisted on the letter of the law. None the less we have steadily resisted pressure which from time to time has been brought to bear on us to effect reductions in our sale programme which would have been arbitrary and premature. Applications for the suspension of sales are no new feature in the opium trade. We were familiar with them before any restrictions were placed on exports to China, and their object was obviously to confer the advantages of a strict monopoly on those who happened at the time to be in the possession of opium. This we have properly and consistently refused to do. The action of the Republican Government in China, however, created an entirely new situation. It stopped the outlet for Indian opium. As soon as the situation declared itself, I went to Bombay and met the opium merchants, whose frank and forcible presentation of their case I wish to acknowledge. I made myself thoroughly acquainted with the whole outlook. The representations of the merchants were confirmed by the course which events had taken. In Shanghai and Hongkong which are the markets of our opium in China, trade was reported to be at a standstill. There were no sales or deliveries, and in India at the December auction the price of Malwa opium had dropped to Rs. 722 a chest as against Rs. 1,666 obtained in November and Rs. 2,443 in August.

9. The situation was radically different from any with which we had as yet been called on to deal, and the Government of India took prompt action. With the sanction of the Secretary of State we did four things. The sales of opium for China could not be stopped immediately, as a variation in the programme of the year cannot be made without three months' notice, but we suspended sales from the earliest date which this condition allows. Meanwhile we imposed an upset price which practically resulted in an immediate suspension of such sales. We reduced the quantity of opium to be sold in 1913 for export to non-China markets with the desire to reduce smuggling into China. And lastly, though we had no obligation in the matter, we agreed to buy from the Malwa States the amount of opium by which their exports to China in 1913 may in consequence of this decision fall short of the number of chests which had been assigned to them in our programme.

10. So much for the past. The Government of India clearly have had to deal with a situation created for them and for which they were not responsible. All that it was in their power to do has been done by them. For the future neither I nor anyone else can prophesy, but we cannot conceal from ourselves that China has set herself a task which experience proves to be one of the greatest difficulty—the enforcement of a morality possibly too advanced for popular acceptance. We have dealt generously with China and we have a claim on her for fair treatment. Her reputation for probity stands high among the nations. The Chinaman's word, it is said, is his bond. The new Republican Government, which has yet to establish its position in its own country and in the world at large, will doubtless be jealous in a peculiar degree of its honour and will be actuated by the same spirit of equity and fair dealing which has characterised the policy of the Government of India.

11. In the current year the effect of these events on our revenues has been comparatively small. In the case of Malwa opium I may explain that our receipts consist

of a share, first of a fixed pass duty, and secondly of the amounts bid at the auctions for the right of export. For the payment of these bids the merchants are allowed three months' grace, so that the proceeds of sale subsequent to December would in any case have been credited in the coming financial year. As far as the current year is concerned, the revenue from sales of certified opium in January-March would not have exceeded £400,000. On the other hand, as I have said, in earlier months prices were exceedingly high, and the results for the year as a whole are accordingly much above the Budget estimate. The improvement in fact under Bengal opium has been £1,198,000 and under Malwa opium £224,000. This portion of our revenues we propose to treat exactly as in previous years. To enable us to deal systematically with our opium windfalls we fixed in advance some time ago a series of standard figures to represent year by year the revenue which we might expect from our diminishing trade under normal conditions; so much was to be treated as current revenue, while the surplus revenue received, if any, was to be specially treated. For the current year the standard figure is £3,600,000. Our actual revenue is likely to be £5,063,000, so that there is an excess of £1,463,000. Of this sum two-thirds will be retained in our surplus for the discharge of temporary sterling debt. The discharge of India Bills, of which £1½ millions were still outstanding at the time of the last Financial Statement, has been completed; but we have to pay off next year £1¼ millions railway debentures and meet an instalment of £500,000 for the discharge of short-term bonds. The remaining third, which amounts to about £160,000, we propose to distribute in grants for hostels and universities.

Ordinary Revenue.

12. Having reviewed the opium position, I pass to a consideration of our ordinary revenue. Excluding opium, the improvement shown on a comparison with the Budget is £6,191,000, the great bulk of which has been contributed by our railways. In making my estimate under this head, I was cautious and it would ill-befit, in my judgment, a Finance Minister in this country to be otherwise; but I think the most irresponsible critic would have hesitated to predict that the development of traffic would prove so enormous as to constitute a crisis in railway management. The gross earnings have been almost £4½ millions above the estimate. The net improvement is less, because, we have had, of course, to distribute more in the shape of surplus profits paid to companies, and because working expenses have naturally increased. Against the £4½ millions growth in earnings however the increase in working expenses has not been more than £600,000. The percentage of working expenses has been brought down to 49·3, which is a lower figure than has been shown for the last five years. The net receipts are £3⅔ millions better than the Budget. Apart from railways therefore, I have to account for an improvement of £2½ millions. Over a million of this improvement has been secured under the purely Imperial heads of Customs, Mint, Post Office and Telegraph, and Exchange. Under Customs, I find that out of a total increase of £586,000, £353,000 are accounted for under cotton manufactures, manufactured articles and export duties; the first two heads showing the influence of a prosperous year, while under the third the rise in revenue was due to a large demand for rice from other countries, which led to exports not only from Burma but from Bengal. Silver, the imports of which were heavy throughout the year, brought us about £160,000 more than we had anticipated and the revenue derived from sugar was also high. Of a large increase of £326,000 under Mint, the greater part is due to the resumption of rupee coinage, which could not be allowed for in the Budget. Before the profits on coinage are transferred to the Gold Standard Reserve, a charge is made for manufacture, which is credited to the Mint, and the sum thus shown in the current year is £214,000. Finally, so far as these Imperial heads are concerned, the Post Office and Telegraph Department has given us £118,000 more than our forecast, as the result no doubt of active trade and general prosperity, and the same general conditions have credited us with £109,000 under the head of Exchange. Under the shared heads of Stamps and Excise, we have divided with the Provinces an increased revenue of nearly £450,000 and Irrigation receipts also have been better in the aggregate by £442,000.

13. The description I have given of the improvement in our revenues will have impressed on the Council the fact that much the greater portion of it has accrued in the Imperial account. We do not propose however to retain all that has come to us; we intend to make the provinces partners in our good fortune. The distribution of

my surplus has given me much anxious thought. I have a large sum of money to dispose of; we are unlikely to have again, for some time, a margin anything like so large as in the present year, and it is all the more necessary to be careful in the distribution of what is in our hands. I state the principle of our decisions very briefly. There are certain relatively small requirements which we intend to meet; but the bulk of the money will go in grants to secure a steady progress in education and sanitation, an object which has the support of both official and non-official opinion. We propose to make the following distribution of funds:—

2½ crores for non-recurring expenditure on education.
1½ crores for urban sanitation.
30 lakhs to Burma for communications.
20 lakhs to Assam for development.
1 crore in aid of general provincial resources.

The last mentioned grant will be distributed at the rate of 12 lakhs to each of the larger Provinces, and 8 lakhs each for the smaller Administrations, and will not be earmarked for any one purpose. It will be devoted to such schemes as each Local Government may deem to be most necessary in view of varying and special requirements. Our ability to make these grants secures important advantages. From the Imperial point of view, they are an anticipation of future liabilities. We have these demands; we might in ordinary course meet them over a more extended period; but we may well doubt whether in the next few years we shall have funds available for distribution, and we take the opportunity, which fortunately presents itself, of paying our contribution in advance. From the point of view of the Provinces, there is a great gain in stability; they are secured in the prosecution of improvements of the most important kind against the fluctuations of Imperial finance. They are, we are assured, ready for the distribution. The great attention which has been paid in recent years to the needs of sanitation and education has led to a systematic review of requirements and preparation of projects generally. So long as there is uncertainty as to the amount that will be available from year to year, progress must be fitful and uneconomical. But now, when they find themselves secured in the possession of substantial sums, the Provinces will be able to make out and adhere to well-considered programmes of development and the systematic application of funds which will thus be possible will certainly make for economy and efficiency.

Expenditure.

14. About the expenditure of the current year I have little to say. I have already mentioned that in the aggregate it is £171,000 more than in the Budget. Provinces have spent £171,000 less than they anticipated, but there is an increase of £342,000 in Imperial charges. The Provincial decrease is accounted for by the inability of Local Governments to spend the full amounts provided. In the Imperial section the important variations are increases of £398,000 under Civil Works and £570,000 under Military services. The rise in Civil Works charges is accounted for by the debit, to the revenue head, of the construction of temporary accommodation for the Government of India at Delhi. In the Military estimates, the additions have been of an obligatory nature; for instance, the increased outlay on food supplies caused by higher prices, the cost of surveys on the North-East Frontier, larger expenditure on the arms traffic operations in the Persian Gulf, and similar items. On the other hand the special allotment made for protective irrigation works outside the Famine Insurance Grant has not been used and there is a large decrease of £480,000 shown under the Education head. This decrease however is nominal. In the Budget a reserve of £528,000 was entered under this head for subsequent distribution. As the distribution has proceeded, grants have been made by assignments diminishing Imperial revenues, and Imperial expenditure has been correspondingly reduced.

Delhi Expenditure.

15. I have completed my review of the current year and proceed to an explanation of the Budget for the ensuing year; but before I do so, there is one subject on which I wish to say a few words, and that is Delhi expenditure. In the discussion which took place in the Council last year, I gave an undertaking that this expenditure would be separately and carefully accounted for, and I own to a feeling of surprise and some indignation that suggestions should subsequently have been made, and they have been made, that the Government of India would countenance a

departure from the pledge then given. It is evident that all expenditure of whatever kind connected with the transfer of the Imperial capital to Delhi, could not conveniently or properly be brought under a single head in our accounts. There is, for instance the administrative expenditure of the new Imperial Province which must be accounted for in appropriate sections as on account of police, law and justice, and so on. Again we have to build a new cantonment, the cost of which can with propriety be shown only in the Military Estimates. Similarly if a diversion of a railway line is found necessary it must be charged to Railways. The cost of our temporary buildings further, as I have already mentioned, we have charged, under the advice of the Comptroller General, to the revenue expenditure head, Civil Works, and not to the new head of capital expenditure which we have opened for the new Imperial City. I make this explanation because I am anxious that there should be no possibility of misconception on the subject, and I would add that, while the expenditure has of necessity been entered under more than one head in the accounts, care has been taken to make it readily available by prescribing that in each case it should be kept apart under a sub-head of its own. I have arranged further, for the convenience of Hon'ble Members, that all the relevant items of expenditure should be brought together in a comprehensive *pro formâ* account, and this arrangement will be continued year by year so long as it may be necessary. The form of this account and details regarding it will be found in the memorandum by the Financial Secretary, and I need only mention that the cost of temporary Delhi in the current year will probably be just under 50 lakhs. The discussion of the numerous questions of the first importance involved in the inception of a task of such magnitude has delayed the beginning of the permanent city, and the amount charged to the capital head in the current year is only £155,000, which represents for the most part the cost of land acquisition. We shall soon be in a position however to proceed with the work energetically, and Honourable Members will find that a provision of 2 crores has been made in the capital account for this purpose in the ensuing year.

Budget Estimate for 1913-14.

16. I now come to a new page in our financial history and open the Budget for the year 1913-14. It will be clear that in one matter of grave importance our position has been weakened since I had to undertake the same task a year ago. I referred on that occasion to the uncertainties of our opium revenue; but now we are face to face with a calculation of actual loss. As regards our other sources of revenue, I do not propose to depart from the principle, which I consider to be the right one, of cautious estimating. Indeed it might be said that with every year of prosperity the probability of an approaching reversal of fortune, of unfavourable seasons and trade depression, increases, and that the need for caution is greater therefore now than on previous occasions when I have laid my Budget before the Council. At the same time I have no intention whatever of letting my estimates be influenced by vague forebodings. I hold to what I said two years ago, namely, that in Indian budgeting the only reasonable rule of conduct is to assume that a period of prosperity, once it is established, will continue until we have some clear warning of impending change. At present, apart from opium, our prospects are bright, and in making my estimates I have given full weight to this consideration. Proceeding with these principles in my mind, the calculations I have made give for next year a probable revenue in the aggregate, Imperial and Provincial, of £82,322,000. The aggregate expenditure for which provision is made is £83,850,000. There is thus a difference of £1,528,000, which is distributed in this manner; there will according to our anticipations be an Imperial surplus of £1,311,000, but a deficit of £2,839,000 in Provincial Budgets.

Revenue.

17. I proceed to state the salient facts and figures which lead up to these general results, and in the forefront must be put our opium revenue. Circumstanced as we are to-day, it would be out of the question to build on any anticipations of revenue from certified opium in the coming year. I will not despair of a revival in the opium trade which would restore to us in whole or in part the loss which at present faces us; but it would be wrong, as matters stand, to take into account and make available for expenditure any revenue the receipt of which is so problematical. Further the sales of uncertified opium in the present calendar year have been reduced from 13,200 to 9,000 chests. Accordingly all that I can budget for under the opium head is the value of 9,000 chests of uncertified opium at the moderate price of

Rs. 1,800 per chest or £1,080,000 *plus* £365,000 for excise and miscellaneous receipts, or a total of £1,445,000. The decrease, as compared with the probable receipts of the present year, is no less than £3,618,000.

18. In the next place, as one of the dominant factors in our Imperial finance, I turn to railways. We are increasing the working expenses next year by £½ million in view of a larger Railway programme, which involves some addition to revenue as well as to capital expenditure, but against this increase on the expenditure side has to be set a decrease of a quarter of a million under payments of surplus profits, which is the result chiefly of the adoption of the financial in place of the calendar year for the distribution. As regards Railway revenue, my estimate is possibly optimistic; it is that the gross receipts in 1913-14 will be £36,754,000 as against the £37,067,000 which we hope to obtain in the current year. In arriving at this estimate I have attempted to hold the balance even between two sets of considerations. No doubt if the present wave of prosperity lifts us a little higher, my estimate will be exceeded. On the other hand the net railway revenue of the current year, according to our estimates, will be £2⅓ millions above the revenue of 1911-12; there was an improvement of £2 millions in 1911-12, as compared with 1910-11 and the figure of 1910-11 was nearly £1½ millions higher than the figure of 1909-10. We may well ask whether the curve is going any higher. When a time of depression comes, there will be a very different tale to tell. In 1907-08 there was a drop of about £½ million, in 1908-09 a drop of £2½ millions. It is easy to be wise after the event, and should fortune once more favour us you may say I was unduly cautious. But I claim to be judged by present prospects, and on the facts I have put before you I am of opinion that no prudent minister would frame an estimate higher than that which I have indicated.

19. An item which requires special mention is the abolition of the appropriations at present made from the land cess in certain provinces. The matter is one which I shall have to explain in some detail, but for the moment, dealing with the revenue account I note that the effect will be that the receipts in 1913-14 under provincial rates and contributions from district boards will be £557,000 less than in the current year.

20. Apart from Opium and Railways, and the appropriations just mentioned, the improvement in revenue which I anticipate is £105,000. The amount would be larger, but for certain reductions which are forced upon me. I cannot arrange for our capital expenditure without a large reduction of our balances, and the estimate of interest receipts in consequence is diminished by £177,000. Again the Mint receipts go down in my forecast by £291,000 because I cannot repeat the item which appears in the accounts of the current year for seigniorage on coinage of rupees. Under Customs also I am bound to take into consideration the rise in the price of silver as likely to affect imports, and, guided by the experience of years when the price was equally high, I must reduce the estimate of receipts from the duty on silver by £160,000. The exports of rice further in the current year have been very large, and a normal estimate for 1913-14 gives a decrease of £102,000 under export duties. Under other heads however I have raised the estimate of customs receipts by £140,000, which is as much as the advance in revenue in the last two years will justify. In other departments also, I take recent experience as my guide, and I advance the revenue from Post Office and Telegraph by £151,000, from Excise by £243,000 and from Stamps by £136,000. Land Revenue also is likely to give about £155,000 more in the aggregate, in consequence chiefly of better collections in Bombay. The result of these and other less important variations is an improvement of £248,000 in the Provincial account and a deterioration of £143,000 in the Imperial account. But we propose from Imperial revenues to make grants, which I shall presently describe, to Provinces amounting to £1,198,000. This compares with non-recurring grants we are making this year of £4,545,000. Thus to sum up, the Imperial revenue account will be £3,618,000 worse under Opium; £594,000 worse under Railways; and £143,000 worse under other heads; while alienations of revenue will be £3,347,000 less. On the whole there is a deterioration of about one million.

Expenditure.

21. The aggregate expenditure I advance from £79,604,000 in 1912-13 to £83,850,000 in 1913-14. The provinces anticipate that they will spend £3,203,000 more than in the current year, the great bulk of the increase being accounted for under education, sanitation and public works. In the Imperial section there appears an

increase of £1,043,000. More than half of this increase is accounted for by the expenditure of £560,000 which we propose to incur for the purchase of Malwa opium. Under Civil Departments we have added £132,000 for so much of the grants which we are making for education and other beneficial objects as we need for Imperial outlay in minor administrations or as a reserve for subsequent distribution. A sum of £109,000 has been allotted for Protective Irrigation works outside the Famine Insurance grant. There is an increased provision of £131,000 under Post Office and Telegraph which is due for the most part to the requirements of wireless stations. The administration of the Province of Delhi will, we think, involve an increased expenditure of £60,000. In view of various urgent projects we have agreed to raise the grant for Imperial Civil works by £189,000, but there is a decrease of £300,000 under temporary buildings for Delhi.

Grants to Provinces.

22. The grants for education, relief of cess and other beneficial services, which I have mentioned, are not the least interesting feature in the Budget. When presenting the Financial Statement last year, I said that as in view of expenditure on the new capital at Delhi we should now have three sections in our annual capital programme instead of two, we might reasonably enlarge the conventional figure of a crore, which we have generally endeavoured to secure as our revenue surplus. In spite of the loss of opium revenue I find myself in a position to follow this policy, and I have framed my Budget on the basis of a 2 crore Imperial surplus. In spite of the loss of opium revenue, I find it is possible not only to avoid the imposition of new taxation, not only to maintain the present standard of expenditure but to provide a substantial contribution to meet the ever-growing needs of the country. Those needs are multifarious; some are conspicuous and urgent. Education and Sanitation are twins of a phenomenal development. There is agriculture. There is the question of medical attendance and relief. Last but not least, unless we ignore the political organization of the country, there is the development of local self-government. For these interests, we have made due provision. We allot 1 crore for recurring expenditure on education and sanitation, distributing 85 lakhs to the major provinces, assigning 7 lakhs as Imperial expenditure and retaining a reserve of 8 lakhs. We add 10 lakhs to the provision for agricultural expenditure; we allot 10 lakhs for medical relief,—15⅓ out of these 20 lakhs being distributed among the major provinces. These grants require no explanation and I would only say that the recurring grant for education supplements and adds to the value of the large non-recurring grant for the same purpose which we are giving in the current year.

23. Finally we propose to make assignments to Local Governments to enable them to forego the amounts which at present are appropriated for Provincial use from the cess on land. This matter requires explanation. The cess I have mentioned is levied in all Provinces generally at the rate of 5 or 6¼ per cent. on annual value. In Bombay, Madras and the Central Provinces the entire proceeds go to Local Boards. In Bengal and Bihar, however, a one-anna cess is divided into two half-anna portions and while one of these, the "road cess," goes to District Boards the other, the "public works cess" is credited to Government. In the Punjab and the North-West Frontier Province, District Boards have to make a contribution of nearly 20 per cent. of the land cess to Provincial revenues for "General services." In the United Provinces also there are large appropriations though they have a different form in the two portions of the Province. In Agra there is a land cess of 5 per cent. of which about a third is taken by the Local Government to cover the cost of rural police; in Oudh the general cess which goes to District Boards is at the rate of 2½ per cent. only of the annual value while a rate of 3 per cent. is levied separately on account of the cost of village police. The Council will remember that last year a resolution was moved by the Hon'ble Mr. Gokhale recommending the appointment of a Committee to enquire into the resources of local bodies. I had to oppose that resolution because the appointment of a Committee did not appear to be necessary or desirable; but I made it plain that the object of the resolution was one with which Government were in accord. The development and encouragement of Local Self-Government is indeed an object as to the desirability of which all are agreed, and it is with this object in view that we desire to increase their resources by abolishing the appropriations which I have mentioned. The consequence however of this abolition will be a loss to Provincial revenues which Local Governments cannot themselves sustain, and I therefore will make them assignments. The manner in which we proceed is as follows. The Local Governments while they take with the one hand appropriations

from Local Boards as I have described, with the other hand give them certain subventions. Certain of these subventions, such as those made out of the Imperial grant for primary education will continue to be made to the Boards; others of a general nature which are at present required to provide a sufficient income for certain Boards will be resumed. In Oudh a special adjustment will be necessary; the 3 per cent. village police cess will be abolished and a general cess of 5 per cent. imposed at the same rate as in Agra. Allowing for this modification the net loss to Provinces and consequently the amount we have to make good to them will be in Bengal 25 lakhs, in Bihar 23 lakhs, in the United Provinces 29½ lakhs and in the Punjab 2 lakhs, a total of nearly 79½ lakhs or £530,000. In deciding on the measure which I have now detailed to the Council we have, I consider, given a very substantial proof of our interest in local self-government. Last year in the debate on the resources of local bodies I mentioned the surprising way in which Mr. Gokhale plants seeds of policy which come to quick maturity, and I likened these to the mango seeds of the Indian juggler which covered for a little time from view astonish us presently with the appearance of trees bearing not only leaves, not only buds and flowers, but a goodly crop of wholesome fruit. If I may vary the figure, I should say that the Government of India have their orchards to the cultivation of which they give their best endeavours. Like all gardens these have their disappointments, their inexplicable failures; but none the less some of the crops are good. The present is a goodly basket, as an Indian gentleman might say "from our own garden;" and it contains something more substantial than a Committee.

Military Services.

24. The expenditure for five years is shown in the following table:—

	Gross.					Net.
	Army.	Marine.	Military Works.	Special Defences.	Total.	All Military heads.
	£	£	£	£	£	£
1909-10 . . .	18,901,181	461,157	858,342	28,604	20,249,284	19,112,323
1910-11 . . .	19,131,780	445,867	900,437	7,987	20,486,071	19,265,042
1911-12 . . .	19,536,546	450,728	909,657	4,706	20,901,637	19,558,580
1912-13 (Budget) . .	19,084,700	447,100	860,500	20,200	20,412,500	19,094,500
1912-13 (Revised) . .	19,608,700	476,800	880,600	15,900	20,982,000	19,635,400
1913-14 (Budget) . .	19,555,900	478,300	949,100	24,500	21,007,800	19,646,800

25. As stated last year, the Military expenditure of 1912-13 as originally estimated was fixed at a figure below that of any year since 1903-04. After the estimates were closed it became essential to place an order in England for a large number of rifles which has led to an additional payment of £155,000 during the current year. The National Insurance Act involved a payment not in the estimate of about £15,000 on account of the British soldiers serving in India. The demand for working parties of troops in connection with the survey operations in progress on the North-East Frontier entailed unforeseen expenditure amounting to £54,000. The Arms Traffic operations proved more costly by £15,000 than was expected. The prices of food and forage have risen, in spite of the favourable harvests of the year, and account for an increase of roundly £174,000. In view of the favourable financial conditions of the year, additional funds to the extent of about £127,000 were also given to place the army transport on a more satisfactory footing; to allow of the commencement of a reserve of fodder; and for advancing works in progress and for the purchase of stores. The aggregate excess expected is £540,900, the bulk of which has arisen from unforeseen demands and the rise in rates of food and forage.

26. In the coming year there will again be a heavy bill for special services. Provision is made for the continuance of the Arms Traffic operations at a cost of £166,700. The winding up charges connected with the working parties employed

on the North-East Frontier are expected to amount to £33,300. On the other hand, the expected retention of Indian troops in China and Persia will continue to effect a saving.

27. Apart from all this, it has been necessary, in framing the military estimates of 1913-14, to take into account the fact that the temporary economies in ordinary expenditure amounting to £101,000, effected in the current year, cannot be repeated next year; and that the National Insurance Act introduces a new annual charge of £21,500. A larger provision of £186,600 for ordinary Home stores has been found necessary, owing to surplus stocks having been largely worked off, higher prices ruling for metals, and to the advance purchases of such stores in 1911-12 not being repeated in the current year.

28. The Schedule grant for 1913-14, amounting to £737,700, shows an increase of £217,600 as compared with the figure adopted in the current year, but it includes £119,000 to meet the final payments on account of the extra rifles which had to be ordered this year, and £106,700 for the acquisition of land and the commencement of building operations in connection with the new military cantonment at Delhi. The balance of the grant will be applied mainly to meeting the primary requirements of the army in the matter of guns, bayonets, swords and accoutrements, and to the continuance of building works in progress, notably in the direction of improving the accommodation of Indian troops. Provision is made on a modest scale for the inception of military aviation in India.

29. In respect of the permanent economies mentioned last year, a further saving has been effected by the disbandment of the Deoli and Erinpura cavalry squadrons. The question of army expenditure generally has been under the consideration of the Army in India Committee, presided over by Field-Marshal Lord Nicholson. Their report, which is expected shortly, will deal with the possibility of effecting further economies in military expenditure. The report of the Committee which examined the question of marine expenditure is still under consideration. The final result is an increase of the net military budget by £552,300 as compared with the current year's budget.

Railways.

30. I have already given in the revenue account some of the more important Railway figures. The results of the present year are remarkable. In 1912-13 we expect the return on the capital at charge to be 5·89 per cent. against 4·48 which was the percentage in 1909-10. If we take the railway revenue account as a whole and set the interest charges, the annuities, sinking fund payments and minor debits, such as cost of land and surveys, against the net earnings, we show a surplus of £5,616,000, the highest in the history of our Indian railways.

31. What I am now especially concerned with is the railway capital account, and I give therefore the figures of railway capital expenditure during the last five years and compare them with the estimate for next year:—

	1908-0	1909-10.	1910-11.	1911-12.	1912-13, Revised.	1913-14, Budget.
	£	£	£	£	£	£
Open lines including rolling stock . . .	8,532,741	6,532,441	5,002,843	5,058,390	7,362,800	10,124,600
Lines under construction—						
(*a*) Started in previous years . .	1,366,200	1,482,962	2,055,264	2,403,853	2,781,400	1,875,400
(*b*) Started in current year . .	146,130	369,291	387,821	452,150	69,900	....
	10,045,071	8,384,694	7,445,928	7,914,393	10,214,100	12,000,000

32. The figures to which I invite special attention are these. The expenditure on capital account in the three years 1909-10 to 1911-12 averaged rather less than £8 millions. In the current year we budgeted originally for a railway programme of £9 millions. In the course of the year however we were able to increase the

provision to £10½ millions out of an increase in our balances and other improvements. For the coming year I propose to draw somewhat heavily on our ample balances and am in consequence able to advance the railway programme for 1913-14 to £12 millions.

33. This proves, I think, that I am not unsympathetic on the question of railways. I recognise fully their immense significance as an instrument of general progress, their necessity for the development of trade, their growing and indeed momentous importance to the finances of India; but in this, my last Financial Statement, I cannot refrain from a word of warning. In spite of the reckless utterances of obviously interested critics, I continue to deprecate any departure from a policy of the utmost caution in the matter of Railway Finance. It may be that in the future it will be possible to give more scope to private enterprise and increase through its agency the funds available for railway construction, but for the present I have to regard railways as a strictly business proposition. Our responsibility is all the greater now that they have attained a position of supreme importance in our financial system. It is said that the remunerative character of our railways is beyond question, that our railways are the milch cow of the Government of India, and that I am ungrateful. But what is the position? We are paying in the London market very nearly 4 per cent. for what we borrow. I bear in mind that in the current year the railways have paid us 5·89 per cent. But last year the return was 4·99 per cent., in 1910-11 it was 4·66 per cent., in 1909-10 it was 4·48 per cent.; even in good years in the present state of the money market the margin is a narrow one. Let me remind you that so recently as in 1908-09 our railway system was worked at a net loss to the State. I said at that time that we must never allow our railways to become again, even temporarily, a net burden on the general taxpayer. I repeat that assertion. As matters stand we have in our railways a splendid asset. Let us safeguard that asset. Any admission of doubtful schemes, or failure to count in each case the full cost, any disregard of financial considerations will surely lead to deterioration of a most serious character.

34. I urge that nothing be agreed to in the future which may weaken a position which is essential to the financial prosperity of India and to all the interests which that prosperity serves.

Irrigation.

35. The financial position of our great irrigation undertakings may be gathered at a glance from this table which I present and which brings up to date the information given in previous Financial Statements.

Particulars.	1909-10.	1910-11.	1911-12.	1912-13 (Revised).	1913-14 (Budget).
Productive Works.	£	£	£	£	£
Capital outlay to end of the year	29,145,119	30,355,971	31,929,338	33,439,738	34,918,738
Direct Receipts	2,249,011	2,256,989	2,319,176	2,541,200	2,542,600
Land Revenue due to Irrigation	1,111,158	1,170,065	1,343,135	1,495,200	1,518,800
TOTAL RECEIPTS	3,360,169	3,407,054	3,662,311	4,036,400	4,061,400
Working Expenses	1,065,481	1,080,404	1,103,180	1,090,700	1,108,400
Interest on debt	960,829	1,004,680	1,059,649	1,152,400	1,207,000
TOTAL WORKING EXPENSES	2,026,310	2,085,084	2,162,829	2,243,100	2,315,400
NET PROFIT	1,333,859	1,321,970	1,499,482	1,793,300	1,746,000

Irrigation—*contd.*

Particulars.	1909-10.	1910-11.	1911-12.	1912-13 (Revised).	1913-14 (Budget).
	£	£	£	£	£
Protective Works.					
Capital outlay to end of year . .	3,112,121	3,444,204	3,803,846	4,207,046	4,778,046
Direct Receipts	58,066	51,061	62,356	64,500	76,900
Land Revenue due to Irrigation .	6,230	7,940	8,330	10,800	10,900
TOTAL RECEIPTS .	64,296	59,001	70,686	75,300	87,800
Working Expenses	28,730	29,217	41,923	51,600	54,200
Interest on debt	97,882	110,730	123,218	136,200	152,800
TOTAL WORKING EXPENSES .	126,612	139,947	165,141	187,800	207,000
NET LOSS .	62,316	80,946	94,455	112,500	119,200
Minor Works and Navigation.					
Direct Receipts	235,691	228,465	247,054	251,200	254,700
Expenditure	889,435	877,728	836,407	871,800	921,300
NT LSS .	653,744	649,263	589,353	620,600	666,600

36. On the 31st March 1912, 58,534 miles of main and branch canals and distributaries had been constructed, and by the end of the current year a mileage of 59,000 is expected, commanding over 48½ million acres of culturable land of which probably 23 million acres will actually be irrigated within the year. The net profit according to our anticipations on productive works will be £1,793,300, the net return on capital outlay being 8·81 per cent. or if works still under construction are excluded 10·27 per cent.

37. In addition to the canals in operation there are 59 projects which are either under construction, awaiting sanction or being examined by the professional advisers of the Government. Of these six are Minor Works. The Major Works of which 28 are productive and 25 protective, are designed to irrigate nearly 13 million acres at a total capital cost of about £45 millions, the yield anticipated on the productive works being 7·17 per cent.

38. Of the projects brought forward from the preceding year, I may first refer to the Punjab triple project. The progress of this great work is stated to be satisfactory. The Upper Chenab Canal was opened for irrigation by His Excellency the Viceroy on the 12th April 1912. The Lower Bari Doab Canal will be ready for opening in April next, and it is expected to open the Upper Jhelum canal by the autumn of 1914. It is hoped that the Upper Swat River canal will be ready by April 1914.

39. Two other projects mentioned last year in my Financial Statement, the Sukkur barrage and the Rohri canal, have been submitted for the sanction of the Secretary of State, while progress in the case of the Cauvery Reservoir and Sarda-Ganges-Jumna feeder, which have been very favourably reviewed by the technical advisers of the Government of India, is delayed by the necessity of considering the interests of certain Native States which are affected by these undertakings. During the year the Nira Right Bank canal has also been sanctioned by the Secretary of State at a cost of about 260 lakhs of rupees. It is designed to protect an area of 190,000 acres in the Sholapur district, which above almost all others in India stands in need of protection from drought and famine, and it is the most important project of the protective class which has been undertaken in this country.

40. Of the projects under consideration which have not previously been mentioned the most important are the Kistna reservoir in Madras, the extension of the Gokak

canal in Bombay, the Sutlej Valley canals and the Jumna dam project in the Punjab. The Kistna project contemplates the construction of a dam at a cost of 8½ crores to hold up a reservoir with a gross capacity of 163,586 million cubic feet of water. The work if constructed will be the largest of its kind in the world exceeding in magnitude the Assuan dam on the Nile which, as now enlarged, has a gross capacity of 81,224 cubic feet. The Gokak canal extension, which is classed as protective, is to cost nearly 2 crores. The Sutlej Valley project aims at the utilization of the surplus supply of the Sutlej and Beas rivers and it will besides improving the water supply of the several inundation canals now dependent on the Sutlej, extend the benefits of irrigation into the great desert south of the river. It will probably cost 9 crores, while the Jumna dam project, the estimate of which is over 5 crores, provides for the construction of a dam at Koch in the Nahan State to ensure a fuller supply to areas commanded but insufficiently watered by the Western Jumna canal and extend the irrigation from that canal to some precarious tracts in the Umballa and Karnal districts.

Provincial Finance.

41. On the subject of Provincial Finance it is fortunately necessary for me to say but little. Two years ago I described in detail the scheme of permanent financial settlements, which we believe secures for both parties to the contract important advantages. In presenting my last Financial Statement I said that the scheme could not have had a better start than the year 1911-12 had given it. Now another year of prosperity has strengthened the position of the Provinces as well as our own. It is not so long ago that the Provincial authorities took a most gloomy view of their financial prospects. I remember well the spirited attack which was made on the Government of India on the subject of the Punjab settlements, and no year passes in which we do not hear the patriotic pleadings of the Hon'ble Pandit Madan Mohan Malaviya and others on behalf of the United Provinces. To all such representations I may have been held to be unsympathetic, but especially in India time brings the answer. The financial position of the Punjab and the United Provinces is very different now from their position even two or three years ago, and in general the Provinces have built up such substantial balances and have a margin between revenue and expenditure so adequate that they are not only well-to-do for the present but are well protected for the future. I must deal however in some detail with the case of the two Provinces, Assam and Burma, to which it is proposed to give special grants. Financially the conditions in these two Provinces are different. Assam at present has only a temporary settlement and in another two years it will be necessary to revise the terms of our agreement on a more permanent basis. Burma already has its permanent contract, and I am satisfied that the contract is essentially a sound one, for it secures to the Province a substantial growth of revenue which will presently supply it with ample funds for its requirements. At the moment, however, it cannot be denied that the province is in poor circumstances and that in spite of the exercise of due economy it finds a difficulty in squaring resources with requirements. But from another point of view there is a strong resemblance between the conditions in these two Provinces. The equipment of both, in the matter more particularly of communications, is far behind that of the rest of India, and their development is a matter for serious consideration. The question is no doubt what rate of progress is desirable, for ultimately both Provinces will find a sufficiency for their requirements in their own resources. But it is clear that unless we come to the assistance of Burma, progress in that Province will be injuriously delayed. The case of Assam is somewhat different because it was given a substantial grant with which to start its existing settlement; but here again it was recognised that the Province might spend this grant during the period of settlement and it would in the usual course be given a second grant at the beginning of the permanent settlement, the terms of which will shortly have to be considered. The reasons for the grants we propose will now be evident. By making these grants we assist the earlier development of Provinces which are extremely backward. We anticipate in the case of Assam a liability which might come on us when unfavourable seasons might make it difficult for us to meet it. And since the improvement of communications must make for an improvement of revenue in which the Imperial Government have a share, it may be added that these grants are in the nature of an investment in the business of the firm by the senior partner, namely the Government of India.

Ways and Means.

42. I have now finished with the Revenue account, the account that is to say that is concerned with the money credited to us as a final receipt and the expenditure which we have agreed should be charged against such receipts, and I turn to the question of our Ways and Means.

43. In the current year our programme provided for capital expenditure of nearly £11¾ millions, of which £9 millions were for railways, £1,416,000 for irrigation, and £1,333,000 for Imperial Delhi. We had to meet railway debentures which fell due to the extent of nearly £1½ millions, and the ordinary drawings of India bonds of £½ a million, and we arranged to repay the whole of the outstanding India bills of £4½ millions. The great bulk of these obligations and requirements we proposed to meet by drawing on our balances; but we decided to raise a loan of 3 crores (£2 millions) in India and another of £3 millions in England, and we hoped to obtain £1,810,000 through railway companies apart from the money which they were to raise for the discharge of debentures. In the last item we have been disappointed, for the capital raised by railway companies has been only £495,000. In other respects our assets have increased very greatly above our anticipations. The greater part of the improvement has taken place in the revenue account with which I have already dealt in detail. This improvement shows itself first in the rise of the Imperial surplus from £1,478,000 to £3,362,000, and secondly in the banking account of the Provinces. Originally we had to estimate for a large net withdrawal by provinces; but they have not been able to work up fully to the scale of expenditure for which they had made provision in the Budget. Their own revenues have been better, and they have received large grants from us, the result of all these changes being that the aggregate provincial account shows now instead of a withdrawal of £1,558,000, a deposit of £4,019,000. On the debit side of our transactions, the most interesting item is the discharge of our India bills. This has now been carried through in accordance with the programme, and it is a matter of very great satisfaction to me that our account has been entirely cleared of these liabilities; our position has by these liquidations been greatly strengthened against the possibility of financial troubles in the future. The capital expenditure on Delhi, as I have already noticed, has been small. On the other hand, canals have taken a little more money than we provided for them in the Budget, and we have been able in the course of the year to make the substantial addition of £1½ millions to the railway programme.

44. In 1913-14 we repeat the provision of £1,333,000 for the new city at Delhi, and we increase the irrigation allotment to £1,467,000. The most prominent feature of the year is however the raising of the provision for the railway programme to no less than £12 millions. The total capital outlay is estimated at £14,800,000. The only other important debits will be, first, the discharge of debt amounting to £1,869,000, chiefly on account of railway debentures which fall due in the course of the year and of the repayment of another £½ million India bonds; secondly the deficit which is estimated at £2,839,000 in the provincial account. Altogether we have to find about £19½ millions and this we propose to do mainly by utilising our balances. We propose to work to a closing balance of about £17 millions, and on that basis we think we can find £11 millions out of balances. Our revenue surplus will give us £1⅓ millions We propose to raise a loan of 3 crores (£2 millions) in India. The Secretary of State will not himself issue any sterling loan, but it is hoped that the capital raised by railway companies will give us £3 millions. We depend to the extent of £1½ millions on our unfunded debt transactions, mainly Savings Banks, which we think will result in a net receipt of that amount, and we draw as usual on the grant for the redemption or avoidance of debt. The distribution of the closing balance at which we aim is that we should hold £12,429,000 in India and £4,442,000 in the Home Treasury. To work to these results after providing for the year's requirements, we estimate that the Secretary of State will sell Council Bills and Telegraphic Transfers on us to the extent of £21,200,000; but in addition he will as usual sell additional bills on India so far as our resources may permit if there is a sufficient demand for them. It will be understood that all my announcements about loans and drawings are subject to the usual reservations; the Secretary of State and the Government of India retaining full discretion to vary the amounts I have mentioned, in any way and to any extent that may be thought advisable.

Exchange, Currency and Gold Coining.

45. From this survey of our Ways and Means I pass to the adjoining territory of Exchange and Currency where there is some interesting ground to be traversed. I shall first sketch the general conditions of the year which are relevant to this subject. I shall describe a resumption of our rupee coinage, and I shall then pass to a consideration of two important steps in the development of our currency policy.

Exchange.

46. From the description of trade conditions which I gave at the beginning of my speech it will be at once surmised that there has been no exchange difficulty in the current year. Taking the value of merchandise dealt with on private account the value of Indian exports between April and December 1912 exceeded the value of imports by 61¾ crores, the excess being about 2¾ crores greater than in the previous year. The outstanding feature of the year is that since the 1st of April last the rate of exchange has never fallen below par, and this is a new thing in our experience. In 1909-10 a rate below 16 pence continued for the first six months of the year. In 1910-11 it lasted from the middle of May to the middle of August. In 1911-12 it held only for two weeks in June and this year it has disappeared. I do not wish to make too much of this feature; but while I remember that there was little employment for money last rains and my friends the bankers will point to the high rates of interest that have recently prevailed, I think a tendency is shown in the facts I have stated, as well as in our figures of rupee absorption and in the traffic returns of railways, to a diminution in the duration and intensity of the slack season and a more even distribution of trade throughout the year which would be very welcome.

47. The balance of trade in our favour, I have said, in nine months has been 61¾ crores. I need not attempt to explain how the whole difference has been equated; but I can account at once for 56¾ crores, for in the settlement of our claims on other countries we imported 12 crores in gold and silver bullion, 18½ crores in sovereigns and accepted 26¼ crores in Council Bills. The sovereigns, I need hardly say, are not imported necessarily for use as coin, but in order to obtain currency in any form that is desired and they are largely turned into rupees. The absorption of gold, it is true, has continued to increase; in the first six months of 1912-13 it was a million pounds more than in the first six months of 1911-12. But that is only one element in the situation. The financing of the wheat trade which I have said was unusually active took two crores of rupees more from us than in the previous year. Jute, so far as currency is concerned, was a record crop, for the demands on our Calcutta Office in four months amounted to 12 crores of rupees, a sum exceeding even the previous record of 1906 and far above the requirements of any intermediate year. This leads me to the question of the coinage of rupees. We have not added to the rupees in circulation for the last five years. In November 1907 when coinage stopped we had 28 crores of rupees in hand. Then came the scarcity and the commercial crisis of 1907 and 1908 during which instead of an absorption there was a return of rupees from circulation. By September 1909 we had in our possession no less than 48 crores. Since then there has been a steady absorption. It has proceeded at a rate considerably slower than many anticipated though much as I personally expected, but it has gone on year after year and at the end of last April we had no more than 15 crores in hand. It was certain that in the next few months rupees would return; but it was equally certain that the resumption of coinage could not be avoided. The Secretary of State accordingly began to purchase silver in May last. Since then he has purchased £7,060,000 worth. This silver has yielded 15¾ crores of rupees. 10½ crores passed into our ordinary balances in substitution for the gold used in the purchase, while the remainder, less cost of manufacture representing the profit on coinage, has been credited to the Gold Standard Reserve.

Currency.

48. Having cleared the way by this sketch of the year's history, I can proceed to a fuller discussion of the important currency developments which I mentioned, the first relating to the Gold Standard Reserve and the second to the coinage of gold in India. The first has to do with exchange and the requirements of international trade, the second with our internal currency. That there is a nexus between the two cases is clear, but as regards the nature and extent of this nexus widely different opinions are held. We are familiar with the view that a gold standard is impossible without a gold currency. On the other side it is suggested that the currency in the hands of the people is not to any great extent available when coin has to be sent out of the country in settlement of foreign demands. There is also strong opinion in favour of the view that the support which at times becomes necessary not only in this country

but elsewhere against an unfavourable balance of trade can best be found not in the currency in circulation but in strong reserves. I do not intend to enter on a discussion of these rival creeds. I would merely like to say that here in India we have made a great experiment in currency, that the experiment has been successful, and that we are satisfied with our system as at present developed. I recognise however that we must always be ready to strengthen and adjust it as the need arises, and that in carrying out such re-enforcements and adjustments we must attend to experience as well as theory and bear in mind that the conditions in India may in certain particulars be special and stand in need of exceptional treatment. This is the principle which should guide us in considering both the matters which I now lay before the Council. I take first the question of the Gold Standard Reserve. That Reserve has already reached the large figure of £22 millions including £4 millions held in rupees in India. But we have never forgotten that in the troubles of 1907-09 we lost in little more than a year no less than £15 millions sterling, and though we have generally other gold resources on which we could draw, I have always been anxious that the Reserve which is specially earmarked for the support of exchange should be strengthened. I have at the same time felt that it would be an advantage if a larger proportion of this Reserve were held in liquid gold instead of in securities. On these points we have had I think the unanimous support of Indian opinion, but the Secretary of State has not always seen eye to eye with us, and the Council may remember that a year ago I was not sanguine that we should succeed in converting him to our view. We have however succeeded. The Secretary of State has agreed to raise the sterling assets of the Gold Standard Reserve in London to £25 millions and to hold £5 millions of this amount in gold and his decision is gratifying to me as strengthening our defences against the fall in exchange of which there is always a danger in times of adverse trade conditions.

49. On the second development which I have to describe, I fear we cannot hope for the same unanimity of opinion. Yet I feel certain that the two despatches on the subject, which I shall lay, will be read with satisfaction by many both in this Council and outside it.

Gold Coining.

50. In regard to the coinage of gold I may say that the initial selection of any one coin would not in fact definitely exclude another, for while recommending to the Secretary of State the coinage of sovereigns, the Government of India referred to the future possibility, should it be considered advisable, of introducing some other smaller coin such as a ten-rupee piece. The sovereign introduces questions of control which as between ourselves and the Royal Mint are difficult of solution. For this or for any other reason, the final decision may be, to begin with, a special Indian coin, but the experience we should gain in coining an Indian piece may show that it would be worth our while to undertake the additional trouble and expense which would be involved in the coining of sovereigns.

51. On the general question, as I have said, there is much difference of opinion. There are those who seem to regard an institution of a gold mint as a cardinal point in currency policy and expect from it sudden and surprising results. Some are indifferent, regarding a gold mint merely as unnecessary, because they say we already get as much gold coin as we need from abroad, while there are others whose attitude is one of mistrust and condemnation, because they suspect that the establishment of a gold mint implies a radical change in the currency policy of the Government, or because they fear what is called the drain of gold to India. The first to my mind exaggerate the importance of the scheme and are unduly sanguine in forecasting its results. The last, I am confident, are unduly apprehensive.

52. The view taken by the Government of India is a very simple and I think obvious one, and it involves no departure whatever from our currency policy. We have no idea of converting our currency into gold. We are not going to buy gold bars in order to coin them. We cannot force a currency on the people, nor do we wish to do so. All we proposed is that if anyone who has gold wishes to have it coined he should be able to do so. The position is that in this country both gold and silver are established as legal tender currency. But while we can turn silver into coin, we have not so far been able to coin gold. The argument that, in point of fact, we can get by importation as much gold as we can use, is true but it is incomplete. For one thing India itself produces an amount of gold which is not inconsiderable. At present this goes to London, and it may continue to do so, but it is reasonable and it may prove economical that facilities should be given for coining it in this country if at any time the producers find their advantage in that alternative. Again there is a

large quantity of gold bullion in the country. Assuming that the necessity arises of converting it into coin, why should it have to be sent 7,000 miles for the purpose? Or who is to say that it may not on occasion be more profitable or convenient to import and coin gold bullion rather than to import sovereigns? On questions of this kind I strongly deprecate an *á priori* judgment. How any facilities for coining bullion which we give can increase the flow of gold to India I am unable to see. In one form or another India will get precisely the amount of gold which she wants and which she is able to pay for. It may be urged that the use of gold as currency at any rate is for this country a superfluity. But what does this argument assume? It assumes that for India not gold but some other form of currency is the best. On the other hand some authorities assume that a gold currency is always preferable I make neither assumption. I leave it to the people to decide what suits them best, and all I say is that if they find they prefer gold they are just as much entitled to it as any other people in the world. Now when we are considering Indian currency we can no longer, as was the case not many years ago, think only of rupees. Out of the total additions to the currency in the three years ending March 1912 amounting to 65 crores, rupees accounted for only 28 crores. The habits of the people in fact are changing. The last Currency Report of the Comptroller General shows clearly that gold has to an increasing extent established itself in ordinary circulation, while the expansion of our note issues gives evidence of a desire for a handier currency than silver and a readiness to use a higher unit than the rupee. While therefore we do not pretend to know to what extent the facilities for coining gold will be used, we think that there are substantial facts to support the sentiment which has frequently been expressed in this country in favour of our having a gold mint of our own. And even without such support I make bold to say that sentiment is not a thing to be disregarded. The sentiment I mean is not that of any particular race, class or community. India is a great country, not only by reason of past achievements in the highest fields of thought, not only by reason of her enormous population and vast area, but because of her rapidly increasing importance in the world of commerce. I confess I think it is sometimes forgotten how big India is, and her growth in the matters with which I am more particularly concerned outstrips our ordinary conceptions of it. We are all united in this common bond that we are fellow citizens of one great Empire, and the sentiment I have in mind is the sentiment that should be common to all the people of a great and growing country. This mint, you may say, of which we are talking is a little thing. But if there is a feeling that India after all is entitled to its own mints and that those mints should be empowered to turn out any coins that India requires, can anyone say that the feeling is in any sense unreasonable? I cannot of course anticipate the decision that may be reached regarding the denomination of the coin which we should issue, but personally I say that the sentiment which favours a special Indian coin is to me easily intelligible. And I hope that our mints will continue to be Indian in the sense of being free from external control. Our mints may not be the best in the world, but I know of none better. The work they turn out is a credit to the Indian Government, and in saying so, I rely not on my own judgment but on the judgment of experts in Europe who have given me their opinions. This battle of the mints has now lasted for fifteen years. I do not for a moment say that throughout this period the issues have remained the same. The combatants have frequently changed their positions. The composition of the opposing forces has varied, as parties which at one time found themselves in one camp, transferred their allegiance presently to the other. But on the whole, India has fought for a gold mint all these years, and personally I am glad that at a time when my association with the government of this great country draws to a close, the question is being brought to an issue.

53. The Council will appreciate that all I have said in regard to exchange, currency, and the coining of gold is subject to a reservation. I refer of course to the statement made in the House of Commons by the Prime Minister. Mr. Asquith has stated that in the opinion of the Home Government the time has come for an enquiry into (*inter alia*) questions of currency and finance relating to India by an expert body and preferably by a Royal Commission. I myself believe that our system of currency and finance in India rests on a sufficiently solid foundation. I recognise however that it is the subject of many misunderstandings and of much misconception. A Commission of inquiry will clear the air and by increasing knowledge, it will diminish criticism. I believe that it will be educative rather than destructive. Holding this belief, I await with confidence the result of its deliberations on the currency conditions which I have described and which will now have to be submitted to its judgment.

Retrospect.

54. This is my last year of office, and it is permissible that I should review the administration of the Department the control of which I am about to surrender.

55. When I assumed charge towards the end of 1908, the country, after a decade of remarkable prosperity, had just passed through a period of distressful scarcity. The relapse was one of a kind to which, by reason of its climatic conditions, India has always been subject; but on this occasion its severity was accentuated by a financial stress that dislocated the world's greatest markets. The gravity of the situation is explained in a word when I say that the year 1908-09 ended not with an anticipated surplus but with a deficit of no less than £3$\frac{3}{4}$ millions. From an agricultural point of view, the next year was favourable; but trade was slow in reviving and, as I said when I presented my second Financial Statement, the air of hopefulness, which pervaded the country as soon as a good monsoon had assured the agricultural position, was slow in penetrating the Finance Department. I remember well the difficulties which we encountered that year, the necessity we were under of explaining the situation to the large spending Departments and Local Governments, and calling on them to exercise all possible economies in view of our diminished resources, and their loyal response. In addition, when I came to sum up the experiences of the year and forecast the requirements of the next, I found myself faced with a great drop in opium revenue and the necessity of revising at considerable cost our settlement with Eastern Bengal and Assam, and I was forced to propose additional taxation. In 1910-11 the situation changed. Prosperity returned. Our revenues increased. We were able to expand those activities of Government which depend on money resources.

56. In this brief review I have mentioned the increase of taxation which took place in 1910-11. I do not wish to rake up the ashes of an old controversy, but I can scarcely pass the subject by. Whatever may be said about it, I am unrepentant. I hold this, indeed I regard as *res judicata*, that the taxation was justified on any reasonable forecast of immediate requirements at the time when it was imposed. I say that its absolute necessity might have been demonstrated at any moment during the last three years if what has now happened in our opium trade had happened previously. But there are other and more general considerations. If we had merely to provide for existing charges, the position would be simple; whenever revenue rose above expenditure, the excess would be cut off by a reduction in the scale of taxation. But India is not a developed country. It is not a country in which any one can accept the current equipment and the current scale of expenditure as sufficient. I am not suggesting taxation up to the hilt; but in view of urgent and legitimate demands I hold that the real question is not whether we could not have done without further taxation but whether the further taxation has in fact been burdensome. Some of our critics seem at times to forget that development has to be paid for. I claim to have established without hardship a broader basis of taxation which has been and will continue to be of benefit to the country.

57. A point I touch on is economy. Simple though this subject be, it seems to be open to misconception. On the one hand, it has been felt that I have been unnecessarily severe in effecting economies, whilst on the other hand, I have been criticised for assenting to a large increase in expenditure. What I mean by economy is neither the hasty reduction of expenditure in a crisis, nor the opposition to new expenditure without regard to its character or object. What I mean by economy is spending your money on good objects and getting your money's worth for what you spend. This object I have kept in view through good report and through bad report, or rather perhaps I should say through good and bad seasons without distinction, and I claim to have been successful in its attainment.

58. As relevant to this subject I mention the department of audit. That department is one with which, through a long experience, I have been familiar, and I know its value. I have endeavoured in this country to demonstrate my belief in it. I have every reason to think that the position of the Comptroller and Auditor General will be substantially improved, that he will be relieved of other financial duties and will be able to devote his whole time to the development of our audit system. I look for a new spirit in the Audit department, a spirit which will bring about a recognition of its true relationship to the Executive, which will ensure hearty co-operation in the work of Government.

59. A more general question is raised when we co-relate the expenditure we charge to revenue and our capital expenditure. There is no doubt a competition between these two classes, a competition which Mr. Gokhale has brought out clearly enough in more than one Resolution. But the principles which guide us in determining the allotments to be made for the various heads of revenue expenditure must equally guide us when we come to the distribution as between revenue and capital expenditure of an accrued surplus. There are enthusiasts for education and enthusiasts for railways. The Government of India have to hold the balance between them and endure the disparagement of both. I have always been opposed to any hard and fast rule. The distribution must be determined on a consideration of requirements at the time of allotments. There is another consideration. It is a mistake to regard our revenue and capital accounts as water-tight compartments; there is always a movement from one to the other. In good years the revenue account supplies the capital; that has lately been the ordinary position. But the movement has sometimes been reversed, and if in the last year or two we have been using our surplus partly to pay off temporary debt, it must not be forgotten that that temporary debt was raised in part to make good a revenue deficit. The outstanding difficulty in Indian finance is its liability to extreme vicissitudes. The true use of surplus money in good years is to be found in the reduction and avoidance of debt. That is not a picturesque policy, but it is the only sound one. Now from this point of view what have we done in recent years? At Home our borrowings have been small. That may be the result of necessity rather than of choice; but in India where the market has been improving instead of deteriorating my loans have been studiously moderate. In 1909 I raised 2½ crores; in 1910, 1½ crores; in 1911, 2 crores; in 1912, 3 crores. The net result of my loan transactions, taking into account discharge of debt, is striking. In the following figures I include both direct borrowings by the Secretary of State and capital raised through Railway Companies.

In 1909-10 there was a net addition of £13 millions;
In 1910-11 „ „ „ of £6½ millions;
In 1911-12 „ „ „ of £1⅓ millions;
and In 1912-13 „ a net decrease of £1 million.

Meanwhile the legitimate demands for non-recurring expenditure—the only demand which could be met from accrued surpluses—of our different departments, more particularly of education and sanitation, have been generously met. A reasonable railway and irrigation programme of capital expenditure has been maintained and while this has been effected, I have at the same time strengthened our position against the possibility of financial troubles by a restriction of borrowings. My restraint in the past will be an asset for my successors in the future.

60. I turn to another element of strength. By the end of 1909 there was practically no gold left in the Government reserves in this country. Since then by the ordinary operations of trade gold has flowed in, till we now hold £19,500,000 in our currency reserve in India. In the same reserve at Home we have £7,300,000; in the Gold Standard Reserve we have £18 millions in gold assets, and we hope, in consequence of the Secretary of State's recent decision, to have eventually £25 millions. At any rate at the moment we have altogether £45 millions in gold and gold securities and that is a bulwark of enormous strength against a fall in exchange. Our currency system seems to be sound. In our English way we have adapted it from time to time to meet requirements as they arose. The result I do not claim is perfect; but we may be satisfied with a scheme if it is practical. It has the approval of economic experts. It has been taken as an exemplar in other countries, and it has the confidence of our business men. If I have to take the responsibility when things go amiss, I am surely entitled to claim a little credit for success. The Indian believes in the efficacy of good intentions. I have meant well by India, and it means much to me in presenting my fifth Budget that I can honestly say that should financial trouble come on her, India is prepared to meet it.——*L' India farà da se.*

Conclusion.

61. A Financial Statement, the forerunner of the Budget, has to-day been presented, for the first time, in Delhi; restored to her pride of place as India's Imperial city. Through centuries Kings of every race have fought to win or keep her: the

blood of men and the tears of women have been freely shed to cement the Empires over which her owners have held sway. But I prefer to think of Delhi, not as the prize of conquest, or the home of conquerors, but as the capital of a contented empire, the abode of peace and prosperity, of wise and prudent counsels. Such I hope she may ever be.

Glorious though she has been, may Delhi rise to glories still greater; the glories—to quote the words of the Viceroy's speech which it devolved on me to read to you in the Diwan-i-Am—of "the peace, happiness and contentment of the millions over whom the King-Emperor exercises sway, the trust and confidence which England has been able to repose on their loyalty, the generous share which she had been able to give to the sons of India in sharing her councils and in shaping the destiny of this great and wonderful country."

It rests largely with you and your successors in this Council to bring our hopes to fruition.

This is my last Budget, and this day practically ends my career in India.

I shall sever my connection with India with profound sorrow; but I rejoice exceedingly that I shall leave her loyal and prosperous.

GUY FLEETWOOD WILSON.

Delhi, March 1st, 1913.

FINANCIAL STATEMENT

OF THE

GOVERNMENT OF INDIA

MARCH 1913

ACCOUNTS	1911-1912
REVISED ESTIMATES	1912-1913
BUDGET ESTIMATES	1913-1914

CONTENTS.

	PAGES
I.—GENERAL STATEMENT of the REVENUE, and EXPENDITURE charged to REVENUE, of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	336—337
II.—GENERAL STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA, and in ENGLAND	338—339
A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND	340—341
B.—STATEMENT of the EXPENDITURE charged to the REVENUES of INDIA, in INDIA and in ENGLAND	342—345
C.—STATEMENT of RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	346—349
D.—ACCOUNTS of PROVINCIAL SAVINGS charged to REVENUE, and held at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL SETTLEMENTS	350
E.—ABSTRACT STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND	351

I.—General Statement of the Revenue, and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1911-1912.	Budget Estimate, 1912-1913.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.
Revenue—					
Principal Heads of Revenue—		£	£	£	£
Land Revenue	A	20,764,697	21,276,000	21,244,900	21,399,900
Opium	„	5,961,278	3,622,000	5,062,800	1,445,000
Salt	„	3,391,212	3,427,800	3,336,700	3,405,300
Stamps	„	4,815,129	4,908,000	5,095,800	5,231,500
Excise	„	7,609,753	7,907,900	8,173,700	8,416,900
Customs	„	6,468,567	6,398,300	6,984,600	6,862,800
Other Heads	„	5,194,604	5,217,800	5,453,200	4,919,100
TOTAL PRINCIPAL HEADS	...	54,205,240	52,757,800	55,351,700	51,680,500
Interest	A	1,448,741	1,227,300	1,463,900	1,287,300
Post Office	„	2,134,279	2,218,900	2,259,500	2,360,800
Telegraph	„	1,087,425	1,065,100	1,142,000	1,191,800
Mint	„	367,100	205,700	532,000	240,600
Receipts by Civil Departments	„	1,238,131	1,226,600	1,295,300	1,296,300
Miscellaneous	„	813,076	552,400	713,100	589,200
Railways : Net Receipts	„	15,891,725	14,540,200	18,217,400	17,623,500
Irrigation	„	3,980,052	3,921,100	4,362,900	4,403,900
Other Public Works	„	326,924	320,900	300,900	286,900
Military Receipts	„	1,343,057	1,318,000	1,346,600	1,361,000
TOTAL REVENUE	...	82,835,750	79,354,000	86,985,300	82,321,800

DELHI,
FINANCE DEPARTMENT,
March 1st, 1913.

W. D. WOOLLAM,
Offg. Deputy Comptroller General.

Revenue, of the Government of India, in India, and in England.

	For details, vide Statement.	Accounts, 1911-1912.	Budget Estimate, 1912-1913.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	8,670,174	8,856,800	8,743,100	9,469,700
Interest	„	2,037,735	2,045,200	1,807,900	1,310,000
Post Office	„	2,008,470	2,049,200	2,036,400	2,057,200
Telegraph	„	1,093,934	1,094,500	1,121,100	1,231,000
Mint	„	116,507	101,400	142,300	103,700
Salaries and Expenses of Civil Departments	„	16,466,166	17,477,300	16,722,900	19,434,500
Miscellaneous Civil Charges	„	4,898,823	4,908,100	4,940,400	5,087,000
Famine Relief and Insurance	„	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	„	12,103,955	12,518,300	12,601,300	13,071,200
Irrigation	„	3,174,883	3,314,900	3,313,100	3,564,600
Other Public Works	„	5,454,048	5,655,200	6,193,600	6,513,100
Military Services	„	20,901,637	20,412,500	20,982,000	21,007,800
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	...	77,926,332	79,433,400	79,604,100	83,849,800
Add—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.	End of B	1,414,027	...	4,019,300	...
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	*444,943*	*1,557,700*	...	*2,839,200*
TOTAL EXPENDITURE CHARGED TO REVENUE	...	78,895,416	77,875,700	83,623,400	81,010,600
SURPLUS	...	3,940,334	1,478,300	3,361,900	1,311,200
TOTAL	...	82,835,750	79,354,000	86,985,300	82,321,800

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts.			
		Accounts, 1911-1912.	Budget Estimate, 1912-1913.	Revised Estimate, 1912-1913.	Budget Estimate 1913-1914.
		£	£	£	£
Surplus	C	3,940,334	1,478,300	3,361,900	1,311,200
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised and deposited by Railway Companies (net)	„	17,497	1,965,600	565,600	3,160,900
Debt, Deposits, and Advances—					
Permanent Debt (net incurred)	C	1,823,173	2,931,100	2,937,000	131,500
Unfunded Debt (net incurred)	„	1,815,193	1,318,700	1,774,700	1,501,400
Deposits and Advances (net)	„	2,209,480	...	4,592,300	...
Loans and Advances by Imperial Government (net Repayments)	„	201,914	...	187,000	13,100
Loans to Local Boards for Railway Construction	„	6,583	6,900	6,900	7,100
Remittances (net)	„	49,524	3,400	146,700	65,200
Secretary of State's Bills drawn	„	25,070,216	15,500,000	27,060,000	21,200,000
TOTAL RECEIPTS	...	35,133,914	23,204,000	40,632,700	27,390,400
Opening Balance—India	...	13,566,922	11,808,222	12,279,689	18,336,389
England	...	18,174,349 (a)	19,395,949	19,463,723 (a)	10,627,923 (a)
TOTAL	...	66,875,185	54,408,171	72,376,112	56,354,712

(a) Include balances of the Gold Standard Reserve as shown

W. D. WOOLLAM,

Offg. Deputy Comptroller General.

DELHI,
FINANCE DEPARTMENT;
March 1st, 1913.

Government of India, in India and in England.

	For details, *vide* Statement.	Disbursements. Accounts, 1911-1912.	Budget Estimate, 1912-1913.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.
Railway, Irrigation and other Capital not charged to Revenue—		£	£	£	£
Outlay on Irrigation Works	C	1,536,531	1,415,500	1,500,000	1,466,700
Outlay on State Railways	„	6,981,384	7,836,700	9,042,000	10,113,400
Initial outlay on new Capital at Delhi	„	4,992	1,333,300	155,200	1,333,300
Outlay of Railway Companies (net)	„	986,530	1,319,500	1,245,000	2,048,300
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	9,509,437	11,905,000	11,942,200	14,961,700
Debt, Deposits and Advances—					
Temporary Debt (net Discharged)	C	500,000	4,500,000	4,500,000	...
Deposits and Advances (net)	„	...	1,184,300	...	2,175,300
Loans and Advances by Imperial Government (net Advances)	„	...	165,400	...	...
Loans and Advances by Provincial Governments (net Advances)	„	193,155	240,000	196,900	125,900
Secretary of State's Bill paid	„	24,929,181	15,769,000	26,772,700	21,202,000
TOTAL DISBURSEMENTS	...	35,131,773	33,763,700	43,411,800	38,464,900
Closing Balance—India	...	12,279,689	12,868,022	18,336,389	12,428,789
England	...	(a) 19,463,723	7,776,449	(a) 10,627,923	(a) 5,461,023
TOTAL	...	66,875,185	54,408,171	72,376,112	56,354,712

(a) to the notes on pages 348 and 349.

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
Secretary to the Government of India.

A.—Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1911-1912.					REVISE	
	INDIA. (RUPEE FIGURES.)		Total India (converted into £ at R15 = £1).	England.	TOTAL.	INDIA. (RUPEE FIGURES).	
	Imperial.	Provincial.				Imperial.	Provincial.
Principal Heads of Revenue –	R	R	£	£	£	R	R
I.—Land Revenue	11,53,67,139	19,61,0 317	20,764,697	...	20,764,697	7,38,63,000	24,48,11,000
II.—Opium	8,94,19,170	...	5,961,278	...	5,961,278	7,59,42,000	...
III.—Salt	5,08,68,180	...	3,391,212	...	3,391,212	5,60,51,000	...
IV.—Stamps	3,66,43,120	3,55,83,820	4,815,129	...	4,815,129	3,38,29,000	3,76,08,000
V.—Excise	3,39,35,352	8,02,10,933	7,609,753	...	7,609,753	3,46,26,000	8,79,79,000
VI.—Provincial Rates	13,592	82,16,603	548,680	...	548,680	21,000	83,38,000
VII.—Customs	9,70,28,499	...	6,468,567	...	6,468,567	10,47,69,000	...
VIII.—Assessed Taxes	1,36,86,519	1,11,06,663	1,652,878	...	1,652,878	1,42,56,000	1,15,65,000
IX.—Forest	10,38,209	2,82,44,480	1,952,179	...	1,952,179	9,76,000	3,03,77,000
X.—Registration	67,394	66,20,543	445,862	...	445,862	79,000	71,40,000
XI.—Tributes from Native States	89,25,074	...	595,005	...	595,005	90,45,000	...
TOTAL	44,69,92,248	36,60,86,358	54,205,240	...	54,205,240	40,24,58,000	42,78,18,000
XII.—Interest	1,04,88,928	43,87,150	991,739	457,002	1,448,741	1,07,04,000	42,62,000
XIII.—Post Office	3,20,14,179	...	2,134,279	...	2,134,279	3,38,92,000	...
XIV.—Telegraph	1,62,36,543	...	1,082,436	4,989	1,087,425	1,70,37,000	...
XV.—Mint	55,04,452	...	366,963	137	367,100	79,80,000	...
Receipts by Civil Departments –							
XVI.—Law and Justice { Courts	2,90,643	45,64,247	323,660	...	323,660	2,35,000	49,15,000
XVI.—Law and Justice { Jails	3,75,083	34,25,232	253,354	...	253,354	3,76,000	33,59,000
XVII.—Police	59,506	17,81,559	122,738	...	122,738	61,000	19,84,000
XVIII.—Ports and Pilotage	...	22,76,052	151,737	...	151,737	...	23,68,000
XIX.—Education	44,906	30,39,247	205,610	...	205,610	50,000	32,40,000
XX.—Medical	7,658	9,82,168	65,988	859	66,847	9,000	11,26,000
XXI.—Scientific and other minor departments	2,75,801	14,22,008	113,187	998	114,185	2,43,000	14,40,000
TOTAL	10,53,597	1,74,90,513	1,236,274	1,857	1,238,131	9,74,000	1,84,32,000
Miscellaneous–							
XXII.—Receipts in aid of Superannuation	12,36,643	7,84,623	134,751	66,719	201,470	12,60,000	8,11,000
XXIII.—Stationery and Printing	6,61,671	7,91,691	93,891	...	96,891	6,33,000	7,95,000
XXIV.—Exchange	15,85,457	...	105,697	...	105,697	16,39,000	...
XXV.—Miscellaneous	25,34,016	30,50,546	372,304	36,714	409,018	15,16,000	28,68,000
TOTAL	60,17,787	46,26,860	709,643	103,433	813,076	50,48,000	44,74,000
Railways–							
XXVI.—State Railways (Gross Receipts)	50,35,67,021	1,16,465	33,578,899	230	33,579,129	55,58,90,000	1,10,000
Deduct :—Working Expenses	*25,88,61,617*	*84,107*	*17,263,048*	...	*17,263,048*	*27,39,12,000*	*88,000*
Surplus profits paid to Companies, etc.	*72,30,008*	...	*482,001*	...	*482,001*	*98,19,000*	...
Net Receipts	23,74,75,396	32,358	15,833,850	230	15,834,080	27,21,59,000	22,000
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	1,92,296	...	12,820	44,825	57,645	2,14,000	...
TOTAL	23,76,67,692	32,358	15,846,670	45,055	15,891,725	27,23,73,000	22,000
Irrigation–							
XXIX.—Major Works: Direct Receipts	1,47,35,150	2,09,87,838	2,381,533	...	2,381,533	1,66,61,000	2,24,24,000
Portion of Land Revenue due to Irrigation	1,10,88,126	91,83,851	1,351,465	...	1,351,465	1,22,52,000	1,03,38,000
XXX.—Minor Works and Navigation	13,91,829	23,13,980	247,054	...	247,054	14,16,000	23,52,000
TOTAL	2,72,15,105	3,24,85,669	3,980,052	...	3,980,052	3,03,29,000	3,51,14,000
Other Public Works–							
XXXI.—Civil Works	10,53,848	38,50,019	326,924	...	326,924	5,65,000	39,48,000
Military Receipts–							
XXXII.—Army: Effective	92,45,431	...	616,362	444,668	1,061,030	1,11,00,000	...
Non-Effective	12,45,992	...	83,066	35,270	118,336	12,78,000	...
	1,04,91,423	...	699,428	479,938	1,179,366	1,23,78,000	...
XXXIII.—Marine	12,73,487	...	84,900	...	84,900	13,17,000	...
XXXIV.—Military Works	11,81,866	...	78,791	...	78,791	11,00,000	...
TOTAL	1,29,46,776	...	863,119	479,938	1,343,057	1,47,95,000	...
TOTAL REVENUE	79,71,91,155	42,89,58,927	81,743,339	1,092,411	82,835,750	79,61,55,000	49,40,70,000

India, in India and in England.

ESTIMATE, 1912-1913.			Increase + Decrease — as compared with Budget Estimate, 1912-13.	BUDGET ESTIMATE, 1913-14.					Increase + Decrease — of Budget, 1913-1914, as compared with Budget Estimate 1912-1913.	Increase + Decrease — of Budget, 1913-1914, as compared with Revised Estimate, 1912-1913.
				INDIA. (RUPEE FIGURES.)						
Total India (converted into £ at R15 = £1).	England.	TOTAL.		Imperial.	Provincial.	Total India (converted into £ at R15 = £1).	England.	TOTAL.		
£	£	£	£	₹	₹	£	£	£	£	£
21,244,900	...	21,244,900	−31,100	12,55,99,000	19,53,99,000	21,399,900	...	21,399,900	+123,900	+155,000
5,062,800	...	5,062,800	+1,440,800	2,16,75,000	...	1,445,000	...	1,445,000	−2,177,000	−3,617,800
3,336,700	...	3,336,700	−91,100	5,10,80,000	...	3,405,300	...	3,405,300	−22,500	+68,600
5,095,800	...	5,095,800	+187,800	3,99,25,000	3,85,48,000	5,231,500	...	5,231,500	+323,500	+135,700
8,173,700	...	8,173,700	+265,800	3,57,80,000	9,04,73,000	8,416,900	...	8,416,900	+500,000	+243,200
557,300	...	557,300	+6,900	18,000	4,13,000	28,700	...	28,700	−521,700	−528,600
6,984,600	...	6,984,600	+586,300	10,29,42,000	...	6,862,800	...	6,862,800	+464,500	−121,800
1,721,400	...	1,721,400	+76,000	1,45,22,000	1,17,50,000	1,751,500	...	1,751,500	+106,100	+30,100
2,090,200	...	2,090,200	+115,700	10,11,000	2,94,36,000	2,029,800	...	2,029,800	+55,300	−60,400
481,300	...	481,300	+37,700	90,000	72,89,000	491,900	...	491,900	+48,300	+10,600
603,000	...	603,000	−900	92,58,000	...	617,200	...	617,200	+13,300	+14,200
55,351,700	...	55,351,700	+2,593,900	40,19,00,000	37,33,08,000	51,680,500	...	51,680,500	−1,077,300	−3,671,200
997,700	466,200	1,463,900	+236,600	1,09,30,000	43,27,000	1,017,100	270,200	1,287,300	+60,000	−176,600
2,259,500	...	2,259,500	+40,600	3,54,12,000	...	2,360,800	...	2,360,800	+141,900	+101,300
1,135,800	6,200	1,142,000	+76,900	1,78,01,000	...	1,186,800	5,000	1,191,800	+126,700	+49,800
532,000	...	532,000	+326,300	36,09,000	...	240,600	...	240,600	+34,900	−291,400
343,300	...	343,300	+21,600	2,62,000	48,30,000	339,500	...	339,500	+17,800	−3,800
249,000	...	249,000	−500	3,94,000	33,71,000	251,000	...	251,000	+1,500	+2,000
136,300	...	136,300	+28,800	64,000	17,96,000	124,000	...	124,000	+16,500	−12,300
157,900	...	157,900	+11,700	...	23,98,000	159,900	...	159,900	+13,700	+2,000
219,300	...	219,300	+6,600	59,000	34,02,000	230,700	...	230,700	+18,000	+11,400
75,700	800	76,500	+11,200	10,000	10,84,000	72,900	700	73,600	+8,300	−2,900
112,200	800	113,000	−10,700	1,80,000	15,71,000	116,800	800	117,600	−6,100	+4,600
1,293,700	1,600	1,295,300	+68,700	9,69,000	1,84,52,000	1,294,800	1,500	1,296,300	+69,700	+1,600
138,100	63,100	201,200	+2,100	12,63,000	8,68,000	142,100	64,600	206,700	+7,600	+5,500
95,200	...	95,200	+200	6,29,000	7,85,000	94,300	...	94,300	−700	−900
109,300	...	109,300	+109,300	5,00,000	...	33,300	...	33,300	+33,300	−76,000
292,200	15,200	307,400	+49,100	13,44,000	21,53,000	233,100	21,800	254,900	−3,400	−52,500
634,800	78,300	713,100	+160,700	37,36,000	38,06,000	502,800	86,400	589,200	+36,800	−123,900
37,066,600	200	37,066,800	+4,499,900	55,11,90,000	1,10,000	36,753,300	200	36,753,500	+4,186,600	−313,300
18,266,600	...	*18,266,600*	−599,900	*28,21,62,000*	*87,000*	*18,816,600*	...	*18,816,600*	−1,149,900	−550,000
654,600	...	*654,600*	−243,500	*59,70,000*	...	*398,000*	...	*398,000*	+13,100	+256,600
18,145,400	200	18,145,600	+3,656,500	26,30,58,000	23,000	17,538,700	200	17,538,900	+3,049,800	−606,700
14,300	57,500	71,800	+20,700	2,19,000	...	14,600	70,000	84,600	+33,500	+12,800
18,159,700	57,700	18,217,400	+3,677,200	26,32,77,000	23,000	17,553,300	70,200	17,623,500	+3,083,300	−593,900
2,605,700	...	2,605,700	+313,200	1,66,32,000	2,26,61,000	2,619,500	...	2,619,500	+327,000	+13,800
1,506,000	...	1,506,000	+121,700	1,24,36,000	1,05,10,000	1,529,700	...	1,529,700	+145,400	+23,700
251,200	...	251,200	+6,900	14,58,000	23,62,000	254,700	...	254,700	+10,400	+3,500
4,362,900	...	4,362,900	+441,800	3,05,26,000	3,55,33,000	4,403,900	...	4,403,900	+482,800	+41,000
300,900	...	300,900	−20,000	5,20,000	37,84,000	286,900	...	286,900	−34,000	−14,000
740,000	324,300	1,064,300	+21,700	1,09,74,000	...	731,600	330,600	1,062,200	+19,600	−2,100
85,200	36,000	121,200	+8,900	12,97,000	...	86,500	38,000	124,500	+12,200	+3,300
825,200	360,300	1,185,500	+30,600	1,22,71,000	...	818,100	368,600	1,186,700	+31,800	+1,200
87,800	...	87,800	−3,300	14,74,000	...	98,300	...	98,300	+7,200	+10,500
73,300	...	73,300	+1,300	11,40,000	...	76,000	...	76,000	+4,000	+2,700
986,300	360,300	1,346,600	+28,600	1,48,85,000	...	992,400	368,600	1,361,000	+43,000	+14,400
86,015,000	970,300	86,985,300	+7,631,300	78,35,65,000	43,92,33,000	81,519,900	801,900	82,321,800	+2,967,800	−4,663,500

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1911-1912.					REVISED	
	INDIA. (RUPEE FIGURES).		Total India (converted into £ at ₹ 15=£1).	England.	TOTAL.	INDIA. (RUPEE FIGURES).	
	Imperial.	Provincial.				Imperial.	Provincial.
Direct Demands on the Revenues—	₹	₹	£	£	£	₹	₹
1.—Refunds and Drawbacks	36,79,617	13,54,531	335,610	...	335,610	33,83,000	13,63,000
2.—Assignments and Compensations	81,92,300	1,01,31,423	1,221,581	...	1,221,581	81,94,000	1,02,04,000
Charges in respect of Collection, *viz.*:—							
3.—Land Revenue	40,90,099	5,26,76,175	3,784,418	2,036	3,786,454	41,19,000	5,45,34,000
4.—Opium (including cost of Production)	1,09,17,776	...	727,852	1,600	729,452	90,74,000	...
5.—Salt (including cost of Production)	55,16,410	...	367,761	729	368,490	56,29,000	...
6.—Stamps	−4,55,888	11,19,765	44,259	89,931	134,190	−2,72,000	11,92,000
7.—Excise	21,39,573	41,47,565	419,142	111	419,253	21,09,000	44,07,000
8.—Provincial Rates	...	85,418	5,695	...	5,695	...	91,000
9.—Customs	37,53,695	...	250,245	467	250,713	38,96,000	...
10.—Assessed Taxes	2,13,525	2,10,648	28,278	...	28,278	2,22,000	2,17,000
11.—Forest	9,20,585	1,61,19,705	1,136,019	6,183	1,142,202	9,44,000	1,67,94,000
12.—Registration	20,348	37,03,481	248,256	...	248,256	24,000	36,98,000
TOTAL	3,89,88,040	8,95,48,711	8,569,117	101,057	8,670,174	3,73,22,000	9,25,00,000
Interest—							
13.—Interest on Debt	3,66,31,245	1,22,62,602	3,259,590	6,022,639	9,282,229	3,70,12,000	1,29,88,000
Deduct—Amounts chargeable to Railways†	*4,56,26,525*	...	*3,041,768*	*3,622,442*	*6,664,210*	*4,97,64,000*	...
„ Amounts chargeable to Irrigation	*66,69,010*	*93,25,070*	*1,066,272*	*116,595*	*1,182,867*	*74,74,000*	*99,83,000*
Remainder chargeable on Ordinary Debt	−1,56,64,290	29,37,532	−848,450	2,283,602	1,435,152	−2,02,26,000	30,05,000
14.—Interest on other obligations	90,38,751	...	602,583	...	602,583	99,14,000	...
TOTAL	−66,25,539	29,37,532	−245,867	2,283,602	2,037,735	−1,03,12,000	30,05,000
15.—Post Office	2,93,03,231	...	1,953,549	54,921	2,008,470	2,97,25,000	...
16.—Telegraph	1,36,53,986	...	910,266	183,668	1,093,934	1,41,29,000	...
17.—Mint	16,63,540	...	110,903	5,604	116,507	20,28,000	...
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,70,71,107	1,56,86,466	2,183,838	442,403	2,626,241	1,03,45,000	1,28,57,000
19.—Law and Justice { Courts	9,30,457	4,37,52,444	2,978,860	3,136	2,981,996	10,30,000	4,39,23,000
19.—Law and Justice { Jails	18,29,614	1,08,11,372	842,732	...	842,732	18,93,000	1,12,84,000
20.—Police	30,02,378	6,60,17,209	4,601,306	1,671	4,602,977	31,56,000	6,66,21,000
21.—Ports and Pilotage	...	27,24,663	181,644	46	181,690	...	27,85,000
22.—Education	7,12,380	2,94,47,531	2,010,661	10,528	2,021,189	15,30,000	3,69,62,000
23.—Ecclesiastical	18,62,747	...	124,183	305	124,488	18,80,000	...
24.—Medical	8,31,604	1,63,26,671	1,143,885	11,605	1,155,490	26,60,000	1,79,83,000
25.—Political	1,27,54,099	16,21,737	958,389	9,769	968,158	1,28,75,000	20,26,000
26.—Scientific and other Minor Departments	69,16,326	71,44,882	937,414	23,791	961,205	58,74,000	84,90,000
TOTAL	4,59,10,712	19,35,32,975	15,962,912	503,254	16,466,166	4,12,43,000	20,29,36,000
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	32,39,416	...	215,961	11,100	227,061	31,91,000	...
28.—Civil Furlough and Absentee Allowances	19,597	...	1,307	424,435	425,742	16,000	...
29.—Superannuation Allowances and Pensions	12,50,974	1,59,52,891	1,146,924	2,040,496	3,187,420	13,70,000	1,66,95,000
30.—Stationery and Printing	10,92,302	73,79,431	564,788	104,903	669,691	10,74,000	77,37,000
32.—Miscellaneous	9,62,113	43,47,828	353,996	34,913	388,909	11,83,000	34,19,000
TOTAL	65,64,492	2,76,80,150	2,282,976	2,615,847	4,898,823	68,34,000	2,78,51,000
Famine Relief and Insurance—							
33.—Famine Relief	17,14,503	—100	114,293	...	114,293	28,30,000	...
34.—Construction of Protective Railways	4,37,689	...	29,179	15,096	44,275	4,35,000	...
35.—Construction of Protective Irrigation Works	56,83,204	...	378,881	4,584	383,465	62,87,000	...
36.—Reduction or Avoidance of Debt	31,19,505	37,50,000	457,967	...	457,967	13,68,000	37,50,000
TOTAL	1,09,54,901	37,49,900	980,320	19,680	1,000,000	1,09,20,000	37,50,000
Carried over	14,04,13,363	31,74,49,268	30,524,176	5,767,633	36,291,809	13,18,89,000	33,00,42,000

	ACCOUNTS, 1911-1912.				REVISED ESTIMATE, 1912-1913.			
	INDIA.		England.	TOTAL.	INDIA.		England.	TOTAL.
	Amount in Rupees.	Equivalent in £ at ₹15=£1.			Amount in Rupees.	Equivalent in £ at ₹15=£1.		
†Included under the following heads:—	₹	£	£	£	₹	£	£	£
State Railways—Interest on Debt	4,24,81,923	2,832,128	3,446,942	6,279,070	4,63,50,000	3,090,000	3,608,800	6,698,800
Ditto —Interest chargeable against Companies on Advances	31,44,602	209,640	175,500	385,140	34,14,000	227,600	175,500	403,100
TOTAL	4,56,26,525	3,041,768	3,622,442	6,664,210	4,97,64,000	3,317,600	3,784,300	7,101,900

Revenues of India, in India and in England.

ESTIMATE, 1912-1913.			Increase + Decrease − as compared with Budget Estimate, 1912-1913.	BUDGET ESTIMATE, 1913-1914.					Increase + Decrease − of Budget, 1913-1914, as compared with Budget Estimate, 1912-1913.	Increase + Decrease − of Budget, 1913-1914, as compared with Revised Estimate, 1912-1913.
				INDIA. RUPEE (FIGURES).		Total India (converted into £ at R15 = £1).	England.	TOTAL.		
Total India (converted into £ at R15 = £1).	England.	TOTAL.		Imperial.	Provincial.					
£	£	£	£	R	R	£	£	£	£	£
316,400	...	316,400	+44,200	32,44,000	12,78,000	301,500	...	301,500	+29,300	−14,900
1,226,500	...	1,226,500	−1,700	81,89,000	1,03,55,000	1,236,300	...	1,236,300	+8,100	+9,800
3,910,200	2,000	3,912,200	−56,000	47,03,000	5,56,71,000	4,024,900	1,300	4,026,200	+58,000	+114,000
604,900	400	605,300	−82,400	1,70,26,000	...	1,135,000	400	1,135,400	+447,700	+530,100
375,300	900	376,200	−700	56,57,000	...	377,100	1,500	378,600	+1,700	+2,400
61,300	80,000	141,300	−13,700	−1,42,000	12,24,000	72,100	91,600	163,700	+8,700	+22,400
434,400	...	434,400	+400	21,74,000	46,10,000	452,300	...	452,300	+18,300	+17,900
6,100	...	6,100	+200	...	...	...	...	...	−5,900	−6,100
259,800	200	260,000	+4,000	40,03,000	...	266,900	100	267,000	+11,000	+7,000
29,300	...	29,300	−300	2,39,000	2,32,000	31,400	...	31,400	+1,800	+2,100
1,182,500	4,800	1,187,300	−9,900	12,86,000	1,70,14,000	1,220,000	4,600	1,224,600	+27,400	+37,300
248,100	...	248,100	+2,200	27,000	37,64,000	252,700	...	252,700	+6,800	+4,600
8,654,800	88,300	8,743,100	−113,700	4,64,05,000	9,41,48,000	9,370,200	99,500	9,469,700	+612,900	+726,600
3,333,400	6,204,100	9,537,500	−37,600	3,80,85,000	1,34,15,000	3,433,300	5,912,800	9,346,100	−229,000	−191,400
3,317,600	*3,784,300*	*7,101,900*	−160,700	*5,37,06,000*	...	*3,580,400*	*3,806,800*	*7,387,200*	−446,000	−285,300
1,163,800	*124,800*	*1,288,600*	−47,100	*81,52,000*	*1,03,42,000*	*1,232,900*	*126,900*	*1,359,800*	−118,300	−71,200
−1,148,000	2,295,000	1,147,000	−245,400	−2,37,73,000	30,73,000	−1,380,000	1,979,100	599,100	−793,300	−547,900
660,900	...	660,900	+8,100	1,06,64,000	...	710,900	...	710,900	+58,100	+50,000
−487,100	2,295,000	1,807,900	−237,300	−1,31,09,000	30,73,000	−669,100	1,979,100	1,310,000	−735,200	−497,900
1,981,700	54,700	2,036,400	−12,800	2,99,04,000	...	1,993,600	63,600	2,057,200	+8,000	+20,800
941,900	179,200	1,121,100	+26,600	1,45,96,000	...	973,100	257,900	1,231,000	+136,500	+109,900
135,200	7,100	142,300	+40,900	14,33,000	...	95,600	8,100	103,700	+2,300	−38,600
1,546,800	380,800	1,927,600	+23,600	1,04,07,000	1,28,27,000	1,548,900	390,000	1,938,900	+34,900	+11,300
2,996,900	3,200	3,000,100	+23,000	11,48,000	4,43,16,000	3,030,900	500	3,031,400	+54,300	+31,300
878,500	...	878,500	−10,700	19,44,000	1,14,83,000	895,100	...	895,100	+5,900	+16,600
4,651,800	1,600	4,653,400	−7,600	37,59,000	7,03,12,000	4,938,100	1,500	4,939,600	+278,600	+286,200
185,700	100	185,800	+10,200	...	29,83,000	198,900	100	199,000	+23,400	+13,200
2,566,100	10,500	2,576,600	−491,300	20,62,000	5,90,09,000	4,071,400	10,500	4,081,900	+1,014,000	+1,505,300
125,300	400	125,700	−6,200	19,32,000	...	128,800	400	129,200	−2,700	+3,500
1,376,500	12,100	1,388,600	−306,200	23,65,000	2,78,63,000	2,015,200	12,000	2,027,200	+332,400	+638,600
993,400	9,600	1,003,000	+76,700	1,32,70,000	25,73,000	1,056,200	22,800	1,079,000	+152,700	+76,000
957,600	26,000	983,600	−65,900	63,69,000	98,95,000	1,084,300	28,900	1,113,200	+63,700	+129,600
16,278,600	444,300	16,722,900	−754,400	4,32,56,000	24,12,61,000	18,937,800	466,700	19,434,500	+1,957,200	+2,711,600
212,700	11,300	224,000	−5,000	32,39,000	...	215,900	11,100	227,000	−2,000	+3,000
1,100	409,000	410,100	+5,600	12,000	...	800	404,000	404,800	+300	−5,300
1,204,300	2,074,000	3,278,300	+33,600	15,35,000	1,72,77,000	1,254,100	2,077,000	3,331,100	+86,400	+52,800
587,400	96,400	683,800	−7,900	11,96,000	77,15,000	594,100	84,600	678,700	−13,000	−5,100
306,800	37,400	344,200	+6,000	21,48,000	38,06,000	396,900	48,500	445,400	+107,200	+101,200
2,312,300	2,628,100	4,940,400	+32,300	81,30,000	2,87,98,000	2,461,800	2,625,200	5,087,000	+178,900	+146,600
188,700	...	188,700	+55,200	6,99,000	...	46,600	...	46,600	−86,900	−142,100
29,000	14,900	43,900	+600	1,29,000	...	8,600	...	8,600	−34,700	−35,300
419,100	7,100	426,200	−30,500	72,63,000	...	484,200	7,200	491,400	+34,700	+65,200
341,200	...	341,200	−25,300	30,51,000	37,50,000	453,400	...	453,400	+86,900	+112,200
978,000	22,000	1,000,000	...	1,11,42,000	37,50,000	992,800	7,200	1,000,000	...	...
30,795,400	5,718,700	36,514,100	−1,018,400	14,17,57,000	37,10,30,000	34,185,800	5,507,300	39,693,100	+2,160,600	+3,179,000

BUDGET ESTIMATE, 1913-1914.			
INDIA.		England.	TOTAL.
Amount in Rupees.	Equivalent in £ at R15 = £1.		
R	£	£	£
5,00,79,000	3,338,600	3,631,300	6,969,900
36,27,000	241,800	175,500	417,300
5,37,06,000	3,580,400	3,806,800	7,387,200

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1911-1912.					REVISED	
	INDIA. (RUPEE FIGURES.)		Total India (converted into £ at R 15=£1)	England.	TOTAL.	INDIA. (RUPEE FIGURES.)	
	Imperial.	Provincial.				Imperial.	Provincial.
	R	R	£	£	£	R	R
Brought forward	14,04,13,363	31,74,49,268	30,524,176	5,767,633	36,291,809	13,18,89,000	33,00,42,000
Railways—							
38.—State Railways: Interest on Debt	4,24,81,923	...	2,832 28	3,446,942	6,279,070	4,63,50,000	...
Annuities in purchase of Railways	...	...	...	3,357,301	3,357,301	...	...
Sinking Funds	...	...	...	177,677	177,677	...	...
Interest chargeable against Companies on Advances	31,44,602	...	209,640	175,500	385,140	34,14,000	...
Interest on Capital deposited by Companies	26,80,203	...	178,680	1,647,290	1,825,970	28,98,000	...
40.—Subsidized Companies: Land, etc.	8,96,204	13,190	60,626	...	60,626	7,64,000	19,000
41.—Miscellaneous Railway Expenditure	2,62,400	10,160	18,171	...	18,171	8,47,000	9,000
TOTAL	4,94,65,332	23,350	3,299,245	8,804,710	12,103,955	5,42,73,000	28,000
Irrigation—							
42.—Major Works: Working Expenses	75,78,960	95,97,583	1,145,103	...	1,145,103	76,90,000	94,45,000
Interest on Debt	66,69,010	93,25,070	1,066,272	116,595	1,182,867	74,74,000	99,83,000
42A.—Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	...	...	...	...	...	...	...
43.—Minor Works and Navigation	39,65,122	87,25,975	846,073	840	846,913	41,93,000	90,11,000
TOTAL	1,82,13,092	2,76,48,628	3,057,448	117,435	3,174,883	1,93,57,000	2,84,39,000
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	...	12,535	836	...	836	...	61,000
45.—Civil Works	1,12,37,405	6,92,88,892	5,368,419	84,793	5,453,212	1,62,75,000	7,52,10,000
TOTAL	1,12,37,405	6,93,01,427	5,369,255	84,793	5,454,048	1,62,75,000	7,52,71,000
Military Services—							
46.—Army: Effective	20,84,03,972	...	13,893,598	2,439,364	16,332,962	20,51,01,000	...
Non-Effective	1,04,85,675	...	699,045	2,504,539	3,203,584	1,06,12,000	...
	21,88,89,647	...	14,592,643	4,943,903	19,536,546	21,57,13,000	...
46A.—Marine	37,61,939	...	250,793	199,932	450,728	37,92,000	...
47.—Military Works	1,30,86,104	...	872,407	37,250	909,657	1,27,59,000	...
47A.—Special Defences (1902)	40,570	...	2,705	2,001	4,706	1,60,000	...
TOTAL	23,57,78,260	...	15,718,551	5,183,086	20,901,637	23,23,64,000	...
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	45,51,07,452	41,44,22,673	57,968,675	19,957,657	77,926,332	45,41,58,000	43,37,80,000
Add—Portion of Allotments to Provincial Governments not spent by them in the year	...	2,12,10,407	1,414,027	...	1,414,027	...	6,02,90,000
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	...	*66,74,153*	*444,943*	...	*444,943*	...	...
Total Expenditure charged to Revenue	45,51,07,452	42,89,58,927	58,937,759	19,957,657	78,895,416	45,41,58,000	4940,70,000

	ACCOUNTS, 1911-1912.			
	INDIA.		England.	Total.
	Amount in Rupees.	Equivalent in £ at R15=£1.		
Capital Expenditure not charged to Revenue—	R	£	£	£
48.—State Railways	7,26,11,789	4,840,786	2,140,598	6,981,384
49.—Irrigation Works	2,17,33,198	1,448,880	87,651	1,536,531
TOTAL	9,43,44,987	6,289,666	2,228,249	8,517,915
51.—Initial Expenditure on new Capital at Delhi	74,799	4,986	6	4,992

Revenue of India, in India and in England—*continued.*

ESTIMATE, 1912-1913.			Increase + Decrease − as compared with Budget Estimate, 1912-1913.	BUDGET ESTIMATE, 1913-1914.					Increase + Decrease − of Budget, 1913-1914, as compared with Budget Estimate, 1912-1913.	Increase + Decrease − of Budget, 1913-1914, as compared with Revised Estimate, 1912-1913.
Total India (converted into £ at R15 = £1).	England.	Total.		India. (Rupee Figures.) Imperial.	India. (Rupee Figures.) Provincial.	Total India (converted into £ at R15 = £1).	England.	Total.		
£	£	£	£	R	R	£	£	£	£	£
30,795,400	5,718,700	36,514,100	−1,018,400	14,17,57,000	37,10,30,000	34,185,800	5,507,300	39,693,100	+2,160,600	+3,179,000
3,090,000	3,608,800	6,698,800	+185,200	5,00,79,000	...	3,338,600	3,631,300	6,969,900	+456,300	+271,100
...	3,357,700	3,357,700	−100	...	...	...	3,379,500	3,379,500	+21,700	+21,800
...	184,300	184,300	...	...	...	...	191,500	191,500	+7,200	+7,200
227,600	175,500	403,100	−24,500	36,27,000	...	241,800	175,500	417,300	−10,300	+14,200
193,200	1,654,900	1,848,100	−14,600	34,33,000	...	228,900	1,726,200	1,955,100	+92,400	+107,000
52,200	...	52,200	−69,000	16,00,000	10,000	107,300	...	107,300	−13,900	+55,100
57,100	...	57,100	+6,000	7,58,000	...	50,600	...	50,600	−500	−6,500
3,620,100	8,981,200	12,601,300	+83,000	5,94,97,000	10,000	3,967,200	9,104,000	13,071,200	+552,900	+469,900
1,142,300	...	1,142,300	+36,400	78,61,000	95,78,000	1,162,600	...	1,162,600	+56,700	+20,300
1,163,800	124,800	1,288,600	+47,100	81,52,000	1,03,42,000	1,232,900	126,900	1,359,800	+118,300	+71,200
...	...	...	−43,300	16,29,000	...	108,600	...	108,600	+65,300	+108,600
880,300	1,900	882,200	−42,000	45,91,000	93,05,00	26,400	7,200	933,600	+9,400	+51,400
3,186,400	126,700	3,313,100	−1,800	2,22,33,000	2,92,25,000	0,500	134,100	3,564,600	+249,700	+251,500
4,100	...	4,100	+600	...	32,000	2,100	...	2,100	−1,400	−2,000
6,099,000	90,500	6,189,500	+537,800	1,48,59,000	8,15,25,000	6,425,600	85,400	6,511,000	+859,300	+321,500
6,103,100	90,500	6,193,600	+538,400	1,48,59,000	8,15,57,000	6,427,700	85,400	6,513,100	+857,900	+319,500
13,673,400	2,692,500	16,365,900	+510,900	20,36,18,000	...	13,574,500	2,723,000	16,297,500	+442,500	−68,400
707,500	2,535,300	3,242,800	+13,100	1,06,40,000	...	709,400	2,549,000	3,258,400	+28,700	+15,600
14,380,900	5,227,800	19,608,700	+524,000	21,42,58,000	...	14,283,900	5,272,000	19,555,900	+471,200	−52,800
252,800	224,000	476,800	+29,700	34,01,000	...	226,700	251,600	478,300	+31,200	+1,500
850,600	30,000	880,600	+20,100	1,39,39,000	...	929,300	19,800	949,100	+88,600	+68,500
6,600	9,300	15,900	−4,300	2,62,000	...	17,400	7,100	24,500	+4,300	+8,600
15,490,900	5,491,100	20,982,000	+569,500	23,18,60,000	...	15,457,300	5,550,500	21,007,800	+595,300	+25,800
59,195,000	20,408,200	79,604,100	+170,700	47,02,06,000	48,18,22,000	63,468,500	20,381,300	83,849,800	+4,416,400	+4,245,700
4,019,300	...	4,019,300	+5,577,000	...	...	...	...	...	−1,281,500	−6,858,500
...	...	...		...	*4,25,89,000*	*2,839,200*	...	*2,839,200*		
63,215,200	20,408,200	83,623,400	+5,747,700	47,02,06,000	43,92,33,000	60,629,300	20,381,300	81,010,600	+3,134,900	−2,612,800

REVISED ESTIMATE, 1912-1913.				BUDGET ESTIMATE, 1913-1914.			
India.		England.	Total.	India		England.	Total.
Amount in Rupees.	Equivalent in £ at R15 = £1.			Amount in Rupees.	Equivalent in £ at R15 = £1.		
Rs.	£	£	£	Rs.	£	£	£
9,81,00,000	6,540,000	2,502,000	9,042,000	11,40,53,000	7,603,500	2,509,900	10,113,400
2,20,01,000	1,466,700	33,300	1,500,000	2,06,77,000	1,378,500	88,200	1,466,700
12,01,01,000	8,006,700	2,535,300	10,542,000	13,47,30,000	8,982,000	2,598,100	11,580,100
22,23,000	148,200	7,000	155,200	1,99,25,000	1,328,300	5,000	1,333,300

C.—Statement of Receipts and Disbursement of the

	Accounts, 1911 1912.			Revised Estimate, 1912-1913.			Budget Estimate, 1913-1914.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	81,743,339	1,092,411	82,835,750	86,015,000	970,300	86,985,300	81,519,900	801,900	82,321,800
Excess of Revenue over Expenditure charged to Revenue			**3,940,334**			**3,361,900**			**1,311,200**
Railway, Irrigation, and other Capital not charged to Revenue—									
Outlay of Railway Companies—									
Repayments	...	2,029	2,029	...	4,000	4,000	...	2,000	2,000
Net			**0**			**0**			
Raised and Deposited by Railway Companies—									
On account of Subscribed Capital	57,497	...	57,497	70,600	905,000	975,600	160,900	4,415,000	4,575,900
Net			**17,497**			**565,600**			**3,160,900**
Permanent Debt Incurred—									
Sterling Debt—									
India Stock	...	2,855,103		...	3,000,000		...	...	
Rupee Debt—									
Rupee Loan	1,333,333	...		2,000,000	...		2,000,000	...	
Total	1,333,333	2,855,103	4,188,436	2,000,000	3,000,000	5,000,000	2,000,000	...	2,000,000
Net			**1,823,173**			**2,937,000**			**131,500**
Temporary Debt Incurred—									
Temporary Loans	...	4,500,000	4,500,000	...	...	...	...	...	...
Net			**0**			**0**			**0**
Unfunded Debt—									
Deposits of Service Funds	89,721	...		90,100	...		90,000	...	
Savings Bank Deposits	6,750,855	...		7,556,700	...		7,509,800	...	
Total	6,840,576	...	6,840,576	7,646,800	...	7,646,800	7,599,800	...	7,599,800
Net			**1,815,193**			**1,774,700**			**1,501,400**
Deposits and Advances—									
Balances of Provincial Allotments	1,414,027	...		4,019,300	...		...	...	
Appropriation for Reduction or Avoidance of Debt	457,967	...		341,200	...		453,400	...	
Deposits of Local Funds—									
District Funds	3,696,473	...		4,170,500	...		3,914,000	...	
Other Funds	1,194,862	...		1,347,500	...		1,182,500	...	
Deposits of Sinking Funds	27,552	...		42,100	...		43,800	...	
Gold Standard Reserve	...	9,485,535		3,265,700	11,263,900		...	6,178,100	
Currency Reserve—									
Council Bills appropriated	...	1,988,333		...	...		...	...	
Gold received from India	...	...	...	...	1,600,000		...	...	
Gold transferred	1,988,333	...		...	...		...	...	
Departmental and Judicial Deposits	24,965,219	...		26,870,900	...		26,204,700	...	
Advances	10,604,375	27,227		5,198,600	8,600		4,606,800	24,600	
Suspense Accounts	287,178	...		128,100	...		17,600	...	
Exchange on Remittance Accounts (net)	22,555	...		...	...		...	...	
Miscellaneous	26,174	...		2,400	...		6,800	...	
Total	44,684,715	11,501,095	56,185,810	45,386,300	12,872,500	58,258,800	36,429,600	6,202,700	42,632,300
Net			**2,209,480**			**4,592,300**			**0**
Carried over	134,659,460	19,950,638		141,118,700	17,751,800		127,710,200	11,421,600	

Government of India, in India and in England.

	Accounts, 1911-1912.			Revised Estimate, 1912-1913.			Budget Estimate, 1913-1914.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	57,968,675	19,957,657	77,926,332	59,195,900	20,408,200	79,604,100	63,468,500	20,381,300	83,849,800
Add—Provincial Surpluses transferred to "Deposits"	1,414,027	...	1,414,027	4,019,300	...	4,019,300	...	...	...
Deduct—Provincial Deficits charged to "Deposits"	*444,943*	...	*444,943*	...	...	...	*2,839,200*	...	*2,839,200*
Total	58,937,759	19,957,657	78,895,416	63,215,200	20,408,200	83,623,400	60,629,300	20,381,300	81,010,600
Railway, Irrigation, and other Capital not charged to Revenue—									
Outlay on Irrigation Works	1,448,880	87,651	1,536,531	1,466,700	33,300	1,500,000	1,378,500	88,200	1,466,700
Outlay on State Railways	4,840,786	2,140,598	6,981,384	6,540,000	2,502,000	9,042,000	7,603,500	2,509,900	10,113,400
Initial expenditure on new Capital at Delhi	4,986	6	4,992	148,200	7,000	155,200	1,328,300	5,000	1,333,300
Outlay of Railway Companies—									
Payments for Capital outlay	314,614	673,945	988,559	171,700	1,077,300	1,249,000	227,400	1,822,900	2,050,300
Net			**986,530**			**1,245,000**			**2,048,300**
Raised and deposited by Railway Companies—									
Payments for discharge of Debentures	...	40,000	40,000	...	410,000	410,000	...	1,415,000	1,415,000
Net			**0**			**0**			**0**
Permanent Debt Discharged—									
Sterling Debt—									
Madras Railway Debentures		868,700			249,700			170,000	
Indian Midland Do.	...	907,500		...	1,227,900		...	1,111,200	
India Bonds	...	500,000		...	500,000		...	500,000	
Rupee Debt—									
4½ p. c. loans	67	...		...	...		...	...	
4 p. c. Loans	80,910	...		82,400	...		82,400	...	
3½ p. c. Loans	200	...		100	...		100	...	
3 p. c. Loans	7,886	...		2,800	...		4,800	...	
Provincial Debentures	...	...		100	...		...	...	
Total	89,063	2,276,200	2,365,263	85,400	1,977,600	2,033,000	87,300	1,781,200	1,868,500
Net			**0**			**0**			**0**
Temporary Debt Discharged—									
Temporary Loans	...	5,000,000	5,000,000	...	4,500,000	4,500,000	...	...	...
Net			**500,000**			**4,500,000**			**0**
Unfunded Debt—									
Special Loans	269	...		200	...		200	...	
Deposits of Service Funds	93,577	...		93,700	...		96,200	...	
Savings Bank Deposits	4,931,537	...		5,778,200	...		6,002,000	...	
Total	5,025,383	...	5,025,383	5,872,100	...	5,872,100	6,098,400	...	6,098,400
Net		...	**0**			**0**			**0**
Deposits and Advances—									
Balances of Provincial Allotments	444,943	...		...	...		2,839,200	...	
Deposits of Local Funds—									
District Funds	3,593,981	...		4,015,800	...		3,847,300	...	
Other Funds	1,121,303	...		1,215,200	...		1,134,300	...	
Gold Standard Reserve	...	9,889,183		3,265,700	11,332,600		...	6,164,500	
Currency Reserve—									
Council Bills appropriated	1,988,333	...		...	...		...	...	
Gold Transferred	...	655,000		...	1,600,000		...	...	
Sums invested	...	1,333,333		...	...		...	...	
Departmental and Judicial Deposits	24,514,769	...		26,653,700	...		26,133,300	...	
Advances	10,231,543	73,813		5,198,100	180,100		4,594,200	25,000	
Suspense Accounts	111,078	...		186,700	...		69,800	...	
Exchange on Remittance account (net)	...	...		18,600	...		...	...	
Miscellaneou	19,027	24		...	...		...	...	
Total	42,024,977	11,951,353	53,976,330	40,553,800	13,112,700	53,666,500	38,618,100	6,189,500	44,807,600
Net			**0**			**0**			**2,175,300**
Carried over	112,686,448	42,127,410		118,053,100	44,028,100		115,970,800	34,193,000	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1911-1912.			Revised Estimate, 1912-1913.			Budget Estimate, 1913-1914.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward . .	134,659,460	19,950,638		141,118,700	17,751,800		127,710,200	11,421,600	
Loans and Advances by Imperial Government . . .	264,742	...	264,742	260,000	...	260,000	199,000	...	199,000
Net .			**201,914**			**187,600**			**13,100**
Loans and Advances by Provincial Governments . .	986,707	...	986,707	1,091,300	...	1,091,300	937,600	...	937,600
Net .			**0**			**0**			**0**
Loans to Local Boards for Railway Construction . .	6,583	...	6,583	6,900	...	6,900	7,100		7,100
Net .			**6,583**			**6,900**			**7,100**
Remittances—									
Inland Money Orders .	32,427,579	...		33,333,300	...		34,693,400	...	
Other Local Remittances .	87,885	...		440,100	...		434,700	...	
Other Departmental Accounts . . .	6,226	...		...	...		...	...	
Net Receipts by Civil Treasuries from—									
Post Office . .	2,168,276	...		2,241,900	...		2,028,300	...	
Railways . . .	12,606,038	...		14,765,700	...		13,704,100	...	
Public Works . .	8,700			...	...		...		
Net Receipts from Civil Treasuries by—									
Telegraph . . .	733,423	...		733,700	...		718,300	...	
Marine . . .	291,885	...		260,100	...		199,300	...	
Military Works . .	738,525	...		719,400	...		803,100	...	
Military . . .	13,268,513	...		13,146,600	...		13,017,800	...	
Remittance Account between England and India—									
Purchase of Silver . .	...	...		7,060,000	...		...	...	
Railway transactions . .	2,195,707	7,655		3,650,300	24,600		4,914,900	504,800	
Other . . .	903,598	1,253,414		2,559,900	1,877,700		771,800	1,390,000	
Total .	65,436,355	1,261,069	66,697,424	78,911,000	1,902,300	80,813,300	71,285,700	1,894,800	73,180,500
Net .			**49,524**			**146,700**			**65,200**
Secretary of State's Bills drawn . .	...	25,070,216	25,070,216	...	27,060,000	27,060,000	...	21,200,000	21,200,000
Total Receipts . .	201,353,847	46,281,923		221,387,000	46,714,100		200,139,600	34,516,400	
Opening Balance . .	13,566,922	18,174,349 (a)		12,279,689	19,463,723 (b)		18,336,389	10,627,923 (c)	
GRAND TOTAL .	214,920,769	64,456,272		233,667,589	66,177,823		218,475,989	45,144,323	

(a) Of this amount £1,477,358 represents the funds of the Gold Standard Reserve.
(c) „ £1,005,000 „ „ „ „

Delhi,
Finance Department
March 1st, 1913.

W. D. WOOLLAM,
Offg. Deputy Comptroller General.

Government of India, in India and England—*continued.*

	Accounts, 1911-1912.			Revised Estimate, 1912-1913.			Budget Estimate, 1913-1914.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	112,686,448	42,127,410		118,053,100	44,028,100		115,970,800	34,193,000	
Loans and Advances by Imperial Government . .	62,828	...	62,828	72,400	...	72,400	185,900	...	185,900
Net .			**0**			**0**			**0**
Loans and Advances by Provincial Governments .	1,179,862	...	1,179,862	1,288,200	...	1,288,200	1,063,500	...	1,063,500
Net .			**193,155**			**196,900**			**125,900**
Remittances—									
Inland Money Orders .	32,398,535	...		33,333,300	...		34,666,700	...	
Other Local Remittances	...	...		441,000	...		434,700	...	
Other Departmental Accounts . . .	127	...		...	...		...	...	
Net payments into Civil Treasuries by—									
Post Office . .	2,158,879	...		2,241,900	...		2,028,300	...	
Railways . . .	12,704,524	...		14,647,300	...		13,704,100	...	
Net Issues from Civil Treasuries to—									
Telegraph . .	740,023	...		733,700	...		718,300	...	
Marine . . .	292,953	...		260,100	...		199,300	...	
Military Works . .	749,165	...		719,400	...		803,100	...	
Military . . .	13,268,720	...		13,146,600	...		13,017,800	...	
Remittance Account between England and India—									
Purchase of silver .	...	...		...	7,060,000		...	...	
Railway transactions .	2,914	2,200,448		24,600	3,650,300		504,800	4,914,900	
Other . . .	1,466,921	664,691		3,596,900	811,500		1,547,900	575,400	
Total .	63,782,761	2,865,139	66,647,900	69,144,800	11,521,800	80,666,600	67,625,000	5,490,300	
Net .			**0**			**0**			
Secretary of State's Bills paid . .	24,929,181	...	24,929,181	26,772,700	...	26,772,700	21,202,000	...	21,202,000
Total Disbursements .	202,641,080	44,992,549		215,331,200	55,549,900		206,047,200	39,683,300	
Closing Balance .	12,279,689	19,463,723 (*b*)		18,336,389	10,627,923 (*c*)		12,428,789	5,461,023 (*d*)	
GRAND TOTAL .	214,920,769	64,456,272		233,667,589	66,177,823		218,475,989	45,144,323	

(*b*) Of this amount £1,073,710 represents the funds of the Gold Standard Reserve.
(*d*) „ £1,018,600 „ „ „ „ „

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
Secretary to the Government of India.

D.—Account of Provincial Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Settlements.

Provincial Balances.

	Central Provinces and Berar.	Burma.	Eastern Bengal and Assam.	Bengal.	United Provinces of Agra and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.	Equivalent in £ at R15=£1.
Accounts, 1911-1912.	₹	₹	₹	₹	₹	₹	₹	₹	₹	£
Balance at end of 1910-1911 . . .	27,72,214	54,08,065	72,89,698	1,30,78,265	86,90,485	69,74,978	1,55,90,102	1,63,06,351	7,61,10,158	5,074,010
Added in 1911-1912 .	12,14,573	...	52,18,802	82,96,235	1,44,240	33,98,055	29,38,502	...	2,12,10,407	1,414,027
Spent in 1911-1912 .	...	*12,60,040*	...	...	...	...	...	*54,14,113*	*66,74,153*	*444,943*
Balance at end of 1911-1912 . . .	39,86,787	41,48,025	1,25,08,500	2,13,74,500	88,34,725	1,03,73,033	1,85,28,604	1,08,92,238	9,06,46,412	6,043,094
Revised Estimate, 1912-1913.			Assam.	New Bengal.	Bihar and Orissa.					
Balance at end of 1911-1912 . . .	39,86,787	41,48,025	41,96,000	1,66,25,000	1,30,62,000	88,34,725	1,03,73,033	1,85,28,604	1,08,92,238	9,03,46,412	6,043,094
Added in 1912-1913 .	44,97,000	69,12,000	35,59,000	1,17,73,000	65,69,000	83,28,000	84,36,000	43,01,000	59,15,000	6,02,90,000	4,019,300
Spent in 1912-1913 .	...	...	...	...	...	...	...	...	...	...	...
Balance at end of 1912-1913 . . .	84,83,787	1,10,60,025	77,55,000	2,83,98,000	1,96,31,000	1,71,62,725	1,88,09,033	2,28,29,604	1,68,07,238	15,09,36,412	10,062,394
Budget Estimate, 1913-1914.										
Balance at end of 1912-1913 . . .	84,83,787	1,10,60,025	77,55,000	2,83,98,000	1,96,31,000	1,71,62,725	1,88,09,033	2,28,29,604	1,68,07,238	15,09,36,412	10,062,394
Added in 1913-1914 .	...	...	...	...	...	...	...	...	...	...	...
Spent in 1913-1914 .	*8,68,000*	*51,54,000*	*19,94,000*	*89,03,000*	*46,09,000*	*39,98,000*	*43,87,000*	*80,91,000*	*45,85,000*	*4,25,89,000*	*2,839,200*
Balance at end of 1913-1914 . . .	76,15,787	59,06,025	57,61,000	1,94,95,000	1,50,22,000	1,31,64,725	1,44,22,033	1,47,38,604	1,22,22,238	10,83,47,412	7,223,194

W. D. WOOLLAM,
Offg. Deputy Comptroller General.

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT;
March 1st, 1913.

E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England.

REVENUE AND EXPENDITURE.	ACCOUNTS, 1911-1912.					REVISED ESTIMATE, 1912-1913.		BUDGET ESTIMATE, 1913-1914.	
	Revenue.	Expenditure. Refunds and Assignments.	Expenditure. Cost of Collection and Production.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Revenue Heads.	£	£	£	£	£	£	£	£	£
Principal Heads of Revenue. Land Revenue (excluding that due to Irrigation)	20,764,697	764,370	3,783,454	16,213,873		16,566,300		16,610,700	
Opium	5,961,278	3,614	729,452	5,228,212		4,448,400		306,000	
Salt	3,391,212	254,476	368,490	2,768,246		2,701,100		2,768,000	
Stamps	4,815,129	55,595	134,190	4,625,344		4,899,300		5,012,500	
Excise	7,609,753	76,873	419,253	7,113,627		7,660,500		7,877,400	
Provincial Rates	548,680	580	5,695	542,405		550,000		27,900	
Customs	6,418,567	181,837	250,713	6,036,017		6,574,100		6,445,600	
Assessed Taxes	1,652,878	10,827	28,278	1,613,773		1,681,600		1,709,600	
Forest	1,952,179	6,537	1,142,202	803,440		897,400		799,700	
Registration	445,862	1,124	248,253	195,482		231,800		238,100	
Tributes	595,005	201,358	...	393,647		398,100		415,300	
TOTAL	54,205,240	1,557,191	7,112,983	45,535,036		46,608,600		42,210,800	
Total deduction from Revenue		8,670,174							
Expenditure Heads.									
Debt Services. Interest	1,448,741	2,037,735			588,994		344,000		22,700
Commercial Services. Post office	2,134,279	2,008,470		125,809		223,100		303,600	
Telegraph	1,087,425	1,093,934			6,509	20,900			39,200
Railways	15,891,725	12,103,955		3,787,770		5,616,100		4,552,300	
Irrigation	3,980,052	3,174,883		805,169		1,049,800		839,300	
Other Public Works. Civil Works, etc.	326,924	5,454,048			5,127,124		5,892,700		6,226,200
Mint. Mint	367,100	116,507		250,593		389,700		136,900	
Civil Departments. Civil Departments	1,238,131	16,436,166			15,228,035		15,427,600		18,138,200
Miscellaneous Civil Services. Superannuation	201,470	3,187,420			2,985,950		3,077,100		3,124,400
Exchange	105,697	...		105,697		109,300		33,300	
Miscellaneous	409,018	388,909		20,109			36,800		190,500
Other heads	95,891	1,322,494			1,225,603		1,222,700		1,216,200
Famine Relief and Insurance. Famine Relief	...	114,293			114,293		188,700		47,600
Other heads	...	885,707			885,707		811,300		953,400
Military Services. Army. Effective	1,061,030	16,332,932			15,271,932		15,301,600		15,235,300
Army. Non-effective	118,336	3,203,584			3,085,248		3,121,600		3,133,900
Marine	84,900	450,728			365,828		389,000		380,000
Military works	78,791	909,657			830,866		807,300		873,100
Special Defences (1902)	...	4,703			4,703		15,900		24,500
TOTAL	82,835,750	77,926,332		4,909,418		7,381,200			1,528,000
Provincial Adjustment. Surplus		969,084			969,084		4,019,300		
Deficit		...						2,839,200	
TOTAL	82,835,750	78,895,416		3,940,334		3,361,900		1,311,200	
Surplus				3,940,334		3,361,900		1,311,200	
Capital Account. Railway and Irrigation Capital not charged to Revenue:—									
Capital raised and deposited by Railway Companies (net)				17,497		565,600		3,160,900	
Outlay on Irrigation Works					1,536,531		1,500,000		1,436,700
Outlay on State Railways					6,981,384		9,042,000		10,113,400
Initial outlay on new Capital at Delhi					4,992		155,200		1,333,300
Outlay of Railway Companies (net)					986,530		1,245,000		2,048,300
Debt, Deposits, Advances, and Remittances. Permanent Debt (net)				1,823,173		2,937,000		131,500	
Temporary Debt (net)					500,000		4,500,000		
Unfunded Debt (net)				1,815,193		1,774,700		1,501,400	
Loans and Advances by Imperial Government (net)				201,914		187,600		13,100	
Loans and Advances by Provincial Governments (net)					193,155		196,900		125,900
Loans to Local Boards for Railway Construction (net)				6,583		6,900		7,100	
Deposits and Advances (net)				2,209,480		4,592,300			2,175,300
Remittances (net)				49,524		146,700		65,200	
Secretary of State's Bills drawn (net)				25,070,216		27,060,000		21,200,000	
Secretary of State's Bills paid (net)					24,929,181		26,772,700		21,202,000
				35,133,914	35,131,773	40,632,700	43,411,800	27,390,400	38,464,900
Cash Balance. Opening Balance (net)				31,741,271		31,743,412		28,934,312	
Closing Balance (net)					31,743,412		28,934,312		17,889,812
TOTAL				66,875,185	66,875,185	72,376,112	72,376,112	56,354,712	56,354,712

W. D. WOOLLAM,
Offg. Deputy Comptroller General.

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT;
March 1st, 1913.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 to 1909 (24 & 25 Vict., c. 67, 55 & 56 Vict., c. 14, AND 9 Edw. VII, c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Saturday, the 7th March, 1913.

PRESENT:

The Hon'ble SIR GUY FLEETWOOD WILSON, G.C.I.E., K.C.B., K.C.M.G., Vice-President, *presiding*,

and 64 Members, of whom 57 were Additional Members.

FINANCIAL STATEMENT.

FIRST STAGE.

The Hon'ble Mr. Gillan :—"On behalf of the Hon'ble the Finance Member I beg to open the first stage of the discussion on the Financial Statement for 1913-14."

RESOLUTION REGARDING PROVINCIAL SETTLEMENT, MADRAS.

The Hon'ble Nawab Saiyid Muhammad :—"I beg to move the following Resolution which stands in my name :—

'That this Council recommends to the Governor General in Council that the Provincial Settlement with the Government of Madras be revised so as to increase the Provincial share of the excise revenue from one-half to three-fourths.'

"By the present Permanent Provincial Settlements which were introduced with effect from April 1911 in the financial arrangements between the Imperial and the Provincial Governments, the Government of India, while making substantial concessions to other major Provinces in the shares of growing sources of revenue divided between the Provincial and the Imperial Government, left the Madras Government comparatively unchanged and cut them off, if I may say so, with a shilling, *i.e.*, except to the extent of three lakhs and odd due to the provincialization of Forest revenue and expenditure, this Government obtained very little benefit out of it. Now even this little sum will be

lost as a result of the forest policy which we hope and will be glad to see established in the Madras Presidency, in consequence of the recommendations of the Forest Committee which has recently submitted its report to the Government of Madras. The position of the Madras Government from next year will thus be practically what it was previous to the permanent settlements, and they would have obtained no benefit whatever from the arrangements which were designed to be permanent and to provide Local Governments with resources which they might develop and improve. On the other hand, the position of the other major Provinces and of some minor Provinces was improved in a substantial and special manner, as will be seen from the summary of the changes given by the Hon'ble Sir James Meston in his Memorandum of the Financial Statement of 1911.

"In the settlement of these permanent arrangements, it was clear that the Madras Government was not consulted specifically for I find that the Chief Secretary to that Government writing to the Hon'ble Mr. Ramachendra Rao in 1911 said that that Government was not consulted, although subsequently this was modified by Sir Murray Hammick by saying that there was always constant correspondence with the Government of India on the financial transactions between the two Governments, and although the Hon'ble the Finance Minister on the other hand in the Imperial Council then said that these questions should have been brought to the notice of the Imperial Government by Secretariat inter-communication, the fact remains that Madras has fared worst in a scramble which it was expected the Provincial settlements would put an end to. That Madras needs a larger share of the growing revenues for her purposes admits of no doubt, and the fact, that her Government is prudent and frugal and accumulated balances in the attempt to secure a more economical and efficient use of its revenues and of its grants from the Imperial Government, should surely not be made the ground for inflicting a penalty on that Province by cutting off her just share of the growing revenues. The needs of administrative expenditure, especially in the direction of education and sanitation are expanding enormously in the country and certainly not less so in Madras than elsewhere. The educational programme in the Madras Presidency is hampered very much by the difficulty of providing for recurring expenditure from the present shares of growing revenue and the system of Imperial non-recurring grant has only tended to make the situation worse in that by accumulation of these grants, it gives an inflated appearance to the balances at the disposal of Madras Government, and makes the Imperial Government less than just to the claims of this Province. In this respect the Madras Government will soon experience a repetition of the difficulty which they had to face in 1907-08. The Provincial Settlement by which the share of the Provincial Government in the revenues is unduly narrowed necessarily leads to a system of grants-in-aid from the Imperial Government, and when this is swollen to an inordinate extent the necessity for revising the shares in the divided heads becomes apparent. This was what happened in consequence of the *quasi*-permanent settlement of 1904. The Provincial expenditure was then estimated in 1904 at 350·48 lakhs as against the provincial revenues then assigned of 290·82 lakhs, *i.e.*, 59·66 lakhs short of the allotted expenditure. This was made up by a fixed annual assignment of the Imperial revenues, but by the end of 1907-08 the fixed assignment had risen to the enormous figure of 150 lakhs of rupees, and the Government of India had then to substitute for the fixed assignment a larger proportion of growing revenue by raising the provincial share of divided heads from one-quarter to one-half. It was however unfortunate that with a large programme of recurring expenditure since that time, notably in the direction of education and sanitation, of the promotion and development of Local Self-Government no attempt was made to increase the resources of the Madras Government, while nearly every other important Provincial Government had its share increased. It is to redress this inequality to some small extent, that I propose that the Government will be pleased to raise the Provincial share of the excise revenue from one-half to three-fourths. In regard to excise revenue Madras is the solitary province among the major Provinces which has had the smallest share of it, and it may not be said that her share of other heads is larger

so as to compensate for it. It seems also desirable from the point of view of administrative convenience to make excise revenue and excise policy provincial and in the course of time, if possible, local. The enormous growth of excise revenue in the province has alarmed the public as to the growth in consumption and the increase in the drinking habits of the people, and if the Government should do their duty by the public and take further measures to combat the drinking evil not by treating it as a direct source of revenue but as a deterrent against excessive drinking, it is plain that its control should be in local hands and that to a large extent principles of local option have to be introduced. The tendency of all progressive Governments is to leave the regulation of the consumption of liquor which forms the main head of revenue under excise to local authorities or local committees and to make over the revenue therefrom derived to local authorities. In England, it is well known that what is described as whisky money forms one of the chief contributories made over by the Central Government to local authorities for the promotion of education. We may not be ready in India yet for that course, but certainly unless the Imperial Government ceases to treat excise revenue as an important divided head of its resources, the present evils will continue. The Resolution which I propose will bring Madras at least on a par with other provinces in regard to excise revenue, and will be an initial step towards a sounder excise policy in the country."

The Hon'ble Mr. Gillan:—"Sir, we have missed from the agenda this year the Resolution which, with patriotic persistence, my friend the Hon'ble Pundit Madan Mohan Malaviya has urged in previous years in favour of increasing the share of his Province under the head of Land-revenue. The revenue has now changed; it has gone from Land-revenue to Excise; from the United Provinces to Madras. But I confess it has come as a very considerable surprise to the Finance Department that the scene should have shifted so far south, and I have listened with even more astonishment to the gloomy picture which my Hon'ble friend has drawn of the finances of that Presidency. Before I have finished I think the Council will be able to judge on which side the right is; but the view that we have always taken in this Department is that Madras is a Presidency very well contented with the ample revenues which it enjoys, and which we acknowledge it administers with the greatest prudence and ability; and the view that we have taken is, I think, justified by the latest figures that we have. It is anticipated that on the 31st of March Madras will have a balance of $2\frac{1}{4}$ crores, and even if we exclude from this sum the money that it holds from Imperial grants which are earmarked for special purposes, it still will have 116 lakhs. Further, next year's budget shows that its ordinary revenue will exceed its recurring expenditure by a matter of 39 lakhs. That is a very handsome recurring margin.

"Now these figures in themselves might perhaps be taken as a sufficient answer to the proposal made by the Hon'ble Member, but as there is sometimes a misapprehension on the subject, and I am not quite certain that it is not shared by the Hon'ble mover, I may be permitted to say a few words on the general principles of our Provincial Settlements. We do not start on the Revenue side at all or determine on any *á priori* grounds the shares of revenues to be given to the Provinces. We begin—and it is really the only possible method—on the Expenditure side. We consider what a province ought to spend; we fix a standard of expenditure, and then we make over to the province, either by dividing certain heads of revenue or by making fixed assignments, sufficient revenues to cover the expenditure. Each settlement is consolidated, and it is really of very little relevance to inquire in what particular proportions the different heads of revenue are distributed in the different provinces. The requirements of a settlement are two, first that the revenue made over to the province should be sufficient to cover the charges with which it starts on its new settlement; that much may be taken for granted. Secondly, that its revenue should be elastic so that it should cover the inevitable growth in expenditure. For this reason there are two things, from the provincial point of view, which are important.

"First that the fixed assignment should be of a small amount: secondly, that there should be a healthy growth in the divided heads of revenue. Now from this point of view what is the position in Madras? The revenue of next year according to the budget, is 740 lakhs. The fixed assignment from Imperial is only 15 lakhs, barely 2 per cent. of the total. In this particular, then, Madras is fortunate, and it has been fortunate also in the rate of growth of divided heads of revenue. Altogether its financial position is exceptionally strong and exceptionally favourable. Finally, the settlements which are now in force have been declared to be permanent. Their terms are to be varied only under certain specified conditions which in this case do not arise, and to this element of permanency we are bound to attach the very greatest importance. Sir, one cannot but sympathise with the sentiment which has moved the Hon'ble Member to put forward this Resolution. One cannot, I think, also but admire the boldness of his attack, in the circumstances, on the Imperial exchequer. For this share of excise which he is anxious to obtain is a matter of 60 or 70 lakhs. I have already shown that Madras has a margin of 39 lakhs, so that he would like to have a recurring margin of something over a crore. I am sorry, Sir, it is not possible in these circumstances for Government to accept the Resolution."

The motion was put and rejected.

RESOLUTION REGARDING ADDITIONAL ASSIGNMENT FOR RECURRING EXPENDITURE ON EDUCATION FOR THE UNITED PROVINCES.

The Hon'ble Rai Sri Ram Bahadur:—"Mr. President, I beg to move the following Resolution:—

'That this Council recommends to the Governor General in Council that the additional assignment for recurring expenditure on Education for the United Provinces of Agra and Oudh, announced in the Financial Statement, be raised by Rs. 1,200,000 a year.'

"That expenditure on education is one of the first charges on the revenues of the country is a proposition which does not require any reiteration. Education of the people according to the Western methods is one of the most inestimable boons conferred by the British Raj on the people of India. No sentiment can be more humane, more sympathetic or more sublime than that expressed by His Most Gracious Majesty the King-Emperor in reply to the address of the Calcutta University, that the cause of education will ever be very close to His Majesty's heart. The people of India highly appreciate the benefits of education, and are deeply grateful to the Government for what has already been done and for what they intend to do for them in the future. The United Provinces have especial reason for gratitude to the Imperial Government for the large grants and assignments made in the past for expenditure on education. They are still more thankful for the announcement in the Financial Statement of the ensuing year of very liberal sums to be spent on education both on the recurring and on the non-recurring sides.

"But, Sir, these sums are not enough to meet fully the pressing educational wants of our province. Our province is a growing province. Its population numbers more than 47 millions. Its people are now wide awake to the benefits of education and are eager to receive it. The total amount made up of imperial grants, sums allotted out of the provincial revenues, contributions made by the local bodies out of their incomes, and also of aid received from private persons, and spent on education is not enough to meet the educational demands of the province. I therefore beg to move that, in addition to the large non-recurring grants and sums assigned as recurring shown in the

Financial Statement, a sum of 12 lakhs be added to the recurring expenditure on education, to be spent on the following heads :—

	Rs.	Rs.
I.—Collegiate Education—		
Grant-in-aid to Aided Colleges		70,000
II.—Secondary Education—		
(*a*) Government High Schools	1,50,000	2,75,000
(*b*) Aid to aided High Schools	1,00,000	
(*c*) Establishment of a new Training College for teachers	25,000	
III.—Primary Education—		
(*a*) Lower and Upper Primary Schools . .	5,00,000	5,45,000
(*b*) Establishment of two new Normal Schools .	45,000	
IV.—Female Education		30,000
V.—European Schools		1,00,000
VI.—Inspecting Staff—		
(*a*) Additional Inspectors and Assistant Inspectors	80,000	1,80,000
(*b*) Deputy and Sub-deputy Inspectors . .	1,00,000	
TOTAL .		12,00,000

"I shall now proceed to give briefly the details of the objects for which this money is required.

"I shall take up Collegiate Education first. In almost all the aided colleges there is a great need for expansion. It is necessary that provision should be made for teaching a larger number of subjects than are taught at present. There should be an increase in the number of classes. The limit in the number of students fixed under the rules for each section has been reached. Many of these colleges require the addition of more sections. Unless more sections are added, many students who are eager to receive collegiate education cannot get that benefit. But new sections cannot be added unless additional expenditure be incurred in employing new professors. The salaries given to Indian professors in these colleges are very small. In order to secure greater efficiency and a better class of men, the salaries must be increased. A very modest estimate would require a sum of Rs. 70,000 a year to be added under this head.

"I come now to Secondary Education, and first I shall take up Government High Schools. It is necessary that a regrading of existing teachers by increments in their salaries should be done. Additional teachers ought to be employed. Improvement of the staff of teachers is one of the most urgent needs of the province. Competent teachers cannot be had unless they are handsomely paid. An additional sum of Rs. 1,50,000 a year is required for this purpose.

"There are many aided high schools which serve the place of Government high schools in many cities and towns, and thus save the Government from bearing the whole burden of expenditure on those institutions. The teachers in these schools generally get low salaries. No real improvement can be effected in them unless the pay of the teachers is raised. For this purpose and for the up-keep of science laboratories established in some of these schools, we require a sum of Rs. 1,00,000 a year.

"There is another matter which requires consideration in connection with Secondary Education. It is the establishment of a new training college for the western districts of the Province which should be located at Agra. The training college at Allahabad and the training school at Lucknow cannot train the requisite number of teachers. The annual cost of maintenance of the proposed training college would be Rs. 25,000 a year. The total additional cost, therefore, under the head of Secondary Education, comes to Rs. 2,75,000 a year.

"I now take up, Sir, Primary Education. This is the most important head for which a very considerable amount of recurring expenditure is required. Our success in educating the masses depends on the amount of money to be spent judiciously.

"In order to improve and advance Primary Education in our province, the following measures should be adopted. The pay of teachers ought to be increased. In many places it is as low as Rs. 8 per month. The minimum pay should not be less than Rs. 12 a month, and the maximum Rs. 50 a month, for teachers in secondary vernacular schools—with intermediate gradation. A large number of new schools should be opened, and many lower primary schools should be raised to the status of upper primary schools. One of the great needs is to get good and efficient teachers. New normal schools therefore ought to be opened.

"That there is a great and daily-growing demand for education in the United Provinces—provided facilities be placed within the reach of scholars—is evidenced by the fact that in the year 1911-12, 192 new schools were opened at an additional cost of Rs. 92,228, and the result was an increase of about 40,000 scholars in that year. To quote from a recent speech of His Honour Sir James Meston 'The problem before you is clearly not to find children but to find schools and provide teachers.'

"The measures in short required for the improvement and advancement of Primary Education are (*a*) the opening of two new normal schools for teachers —one at Fyzabad at a cost of Rs. 25,000 a year, and the other at Jhansi at a cost of Rs. 20,000; (*b*) raising the pay of teachers; (*c*) opening of new schools and (*d*) raising lower primary schools to the status of upper primary ones. A sum of Rs. 5,45,000 is required for the present. This is only a very modest estimate. An inquiry is being made by the provincial Educational Department and within a short time more reliable facts and figures will be available which will show that a considerable additional expenditure will be necessary to carry out successfully the campaign against illiteracy.

"Female Education is the next item. I must own that no marked success has been attained in this branch of education in our province. It is in no small measure attributable to lack of sufficient funds. We require money to start normal schools for female teachers. To improve Female Education, we require a sum of Rs. 30,000 a year.

"European schools is another important subject. It was discussed lately in the Conference held at Simla. We find that the salaries paid to the majority of teachers in these schools is not adequate. An additional amount of at least 1 lakh a year is required for the present to effect improvement in this direction.

"Inspecting Staff is the last item which requires consideration. An increase in the number of educational institutions and scholars requires a proportionate increase in the number of Inspecting Staff. The number of Inspectors and Assistant Inspectors should be enlarged. At present these officers are overworked. An addition to their number and the consequential increase in the office charges will require a sum of Rs. 80,000 a year.

"A still larger increase is required in the number of Deputy Inspectors and Sub-Deputy Inspectors who supervise the working of primary and secondary vernacular schools. The salaries of many of the officers of this class are inadequate and their regrading is very necessary. Their number is insufficient for a thorough inspection of the existing schools. Not more than 60 schools can be satisfactorily inspected by one officer during the course of the year. An addition to their numerical strength is required not only for the schools existing at present, but also for the new ones which are to be opened in future. This cannot be done without an additional expenditure under this head of 1 lakh of rupees. The total expenditure therefore under the head of Inspecting Staff comes to Rs. 1,80,000. The grand total as I have stated before comes to 12 lakhs a year.

"We require additional sums under the head of non-recurring expenditure, but as I find in the Financial Statement laid before the Council on 1st March

there are large assignments both under the head of non-recurring expenditure and also some assignments under the head of recurring expenditure, and no details have yet been furnished to us, I am not in a position to say what sum we require. But the Council will permit me to say that our needs are these: We require a hostel for the law college at Allahabad which will cost a lakh and fifty thousand. We have already got one hostel there, but it is not sufficient to accommodate the law students. Then we require a sum of Rs. 30,000 for the equipment of the law library attached to the newly established Law College. Thus the Law College requires 1,80,000. Then there are some other colleges which require additional buildings—either in the shape of an addition to existing buildings or new laboratories and science classes. St. John's College, Agra, requires 1 lakh for its new buildings. Bareilly College requires laboratory and science class which will cost approximately Rs. 50,000. Meerut College requires a new laboratory for Chemistry and Biology which will cost Rs. 75,000."

The Hon'ble Sir Harcourt Butler :—"I rise to a point of order, Sir. The Resolution relates to the additional assignments for recurring expenditure on education. The Hon'ble Member is now dealing with the non-recurring needs of his province"

The President :—"I think that the point of order raised by the Hon'ble Sir Harcourt Butler is sound—that the Hon'ble Member should deal with his own Resolution and with the expenditure which that Resolution covers."

The Hon'ble Rai Sri Ram Bahadur :—"Sir, the Resolution moved by me is that we require at least 12 lakhs a year for recurring expenditure. This is not a very high figure in view of the requirements which I have stated before the Council—requirements, which cannot be denied to be very urgent. A province which is contributing to the Imperial Exchequer the largest amount of land revenue—a province which has behaved so well during the time when trouble was experienced in some other parts of the country, a province which has a population of more than 47 millions, is not asking too much if it appeals to the Supreme Government for an increase in the grant for education.

"If the people of that province appeal to the Imperial Government for help in the shape of an additional sum being given for education, I submit that their appeal should be heard and should receive a favourable consideration. Fortunately for us we have, as the head of the Supreme Government, a most sympathetic ruler who is so keen on the advancement of education.

"The Hon'ble the Finance Minister, the guardian of the public purse, has also always been sympathetic to the appeals made to this Government for help with regard to deserving objects. And fortunately for us the Hon'ble Member of this Government who is in charge of education has personal knowledge of the wants of the United Provinces. I have every hope, therefore, that this appeal on behalf of the people of my province will receive a favourable response."

The Hon'ble Raja Kushalpal Singh :—"I have great pleasure in seconding the Resolution moved by my friend the Hon'ble Rai Sri Ram Bahadur. The strengthening of the staff of primary schools is the most urgent concern of my provinces. The present number of teachers is wholly inadequate to meet the increasing demand for education. We recognise that at least 100 teachers more should be taken on for each average district. Further progress will be checked unless funds are forthcoming for the purpose of increasing the number of teachers. Many of the schools are overcrowded and understaffed, and a large number of assistant teachers is an obvious corollary. The present mode of determining the number of teachers required for a school is faulty. It is based on attendance; but it is manifest that, the boys being distributed in different classes, the teaching of them all by one man must needs be very unsatisfactory. Money is most urgently in request for improving the pay and prospects of our primary school teachers. Living

has become more expensive, and ill-paid men put no heart into their work, whilst better-paid men will presumably do better work, and attract more scholars. District and Municipal Boards are at the end of their resources, and, unless they can be given substantial assistance, they cannot be expected to improve and extend primary education. Money is urgently required for improving the grade of teachers. The proper type of men cannot be induced to join training classes or to teach in schools, unless they can count upon fair remuneration. At present the grades above the prescribed minimum are everywhere low. The demand for trained teachers is much greater than the supply. The number of training classes should be considerably added to. The number of peripatetic drill instructors should be increased. In the lower primary section attached to the training classes, assistant instructors should be employed. Pupil teachers receive training for about two hours and a half or three hours daily, and can devote only one hour and a half to the teaching of lower primary classes. In order to increase the number of teachers, it is necessary that many more secondary vernacular schools should be opened. We require an additional recurring grant of Rs. 5,00,000 for primary education.

"Two more Normal Schools should be opened at Jhansi and Fyzabad, respectively. Their maintenance charges will be about Rs. 45,000 a year.

"The dearth of female teachers prevents the rapid expansion of female education. There is a clear call for more female teachers. The number of training classes for mistresses should be considerably raised. We require an additional recurring grant of Rs. 30,000 per annum for this purpose.

"A large increase is indicated in the number of Deputy and Sub-Deputy Inspectors. A larger inspecting staff is a desideratum not only for the present needs, but also in view of future expansion. The present pay of these officers is too small and does not attract the right type of men. The majority of these officers are always on the look-out for service in other departments to improve their prospects. One inspecting officer cannot efficiently inspect more than 60 schools. We want 90 more officers. The number of Inspectors and Assistant Inspectors should also be increased. To this end and for increasing the number of Sub-Deputy Inspectors, an additional outlay of Rs. 1,80,000 a year may reasonably be asked for.

"Desire for secondary education is extremely keen. Greatly increased expenditure on secondary education is a natural sequence. The Department does not attract graduates in sufficient numbers, nor does it get its fair share of the best men turned out by the University. An improvement in the pay and prospects of teachers in secondary schools is one of the most urgent needs of the United Provinces. We would name Rs. 1,50,000 more a year as a fair allotment for this purpose. In aided schools the pay of teachers is on a beggarly scale. We would ask for an additional recurring grant of Rs. 1,00,000 per annum for raising the pay of teachers in such schools.

"One more training college, which should be located at Agra, would meet a pressing need in the western districts. The recurring annual expenditure for its maintenance would be about Rs. 25,000 a year.

Colleges.

"Scholars are crowding into colleges in such numbers that neither can room be found for them nor can sufficient professors be entertained to teach them. Many additions to the professional staff should be made. Certain classes have grown beyond all reasonable proportions. They should be split up into sections. This would mean at least Rs. 70,000 a year for strengthening the staff of colleges.

"For European schools we require an additional recurring grant of Rs. 1,00,000 a year.

"With these few remarks, I beg to recommend this Resolution for acceptance by this Hon'ble Council."

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, I beg to support the Resolution. As we have been told by the Hon'ble

Mr. Gillan, I have not brought forward the Resolution on the last occasion in asking for the land-revenue grant in the United Provinces to be raised. There is a reason for it. In the United Provinces the Lieutenant-Governor, Sir James Meston, has said that he will examine the expenditure and he has promised us that he will come with a representation to the Government of India as soon as he is satisfied that the needs of the Province require a large allotment. I hope that it will not be very long before Sir James Meston will have made up his mind to appeal to the Government of India, and it is because we expect his appeal will receive greater consideration from Government than perhaps the appeals of his predecessors did that we are waiting and looking forward to the day when it will be brought to the notice of the Government of India. I may mention, Sir, that our late Lieutenant-Governor, Sir John Hewett, on the last occasion when he spoke about Provincial finance expressed himself deeply disappointed and earnestly expressed the hope that the Government of India would see their way to remedying the injustice which has been done to the United Provinces, in not giving to them what has been given to other provinces, namely, half the amount of the land-revenue raised in each province. I could not advance a stronger argument in support of the Resolution of my Hon'ble friend than to point out to the Council and to remind the Hon'ble Member who is presiding over our deliberations to-day that in truth, in justice and in mercy the United Provinces should have 82 lakhs more than is provided in the budget for this Province, and if my Hon'ble friend has come forward and asked for the small sum of 12 lakhs to be added to the recurring grant of these Provinces, it is an extremely modest recommendation and deserved to be taken into the kindly consideration of the Government. It is extremely unfortunate, Sir, that the United Provinces have been treated as they are. We have been extremely grateful for every pice given to us and we have been grateful for the larger recurring grant made to us.

" We feel that neither in the lump sums allotted nor in the sums allotted under non-recurring grants, have we been treated as liberally as we might have been, in view of the fact to which I invited attention in my opening remarks, *viz.*, the fact that the United Provinces are alone among the Major Provinces of India who have not been given a half share of the land-revenue.

" Now, Sir, if the Council will turn to page 28 of the approved copy of the Memorandum of the Financial Statement, it will be seen that all that was granted to us in the share of non-recurring grants for Education is 6·38 lakhs. Our friends in Bengal are happy. They get 13·20 lakhs. Of the other Provinces, Madras gets 6·80 lakhs, Bombay 5·03 lakhs. We, who have been crying for more money to promote education, to combat the illiteracy and to remove the ignorance which sits like a pall upon the people, we still get nothing more than what is allowed to Madras, which has made tremendous progress in education, and nearly half of what is allowed to Bengal which again has made very great progress in education. I am not jealous, I may say, of the good fortune of the other Provinces, but I only plead for the grant which, in justice, is due to my Province. I do that, Sir, in view of the fact that only 6·38 lakhs have been allowed in the shape of recurring grants to the United Provinces. I hope the Government will yet see their way to accept the Resolution which has been moved by my friend the Hon'ble Rai Sri Ram, and add 12 lakhs more to that grant."

The Hon'ble Sir Harcourt Butler:—" Sir, the Hon'ble Mr. Sri Ram in moving his Resolution began by expressing his gratitude for the grants that have been made, and then, without a blush, he immediately proceeds to ask for more. I shall not take up the time of the Council for long in dealing with the Resolution because the answer is a very simple one: none of the speakers has suggested where the money is to come from."

The Hon'ble Pandit Madan Mohan Malaviya:—" We were trying to do so."

The Hon'ble Sir Harcourt Butler:—" I will make a suggestion. I think a good deal of it should come from the Local Government. Sir James

Meston, speaking at Meerut the other day, is reported in the *Pioneer* to have said 'I am glad of being given the opportunity of expressing, in your presence, the immense indebtedness of this Government and of this Province to the liberality which the Government of India has shown to us.'

"I think the Government of India have treated the United Provinces with the greatest liberality. If they had gone by the number of institutions alone, they would not have got as much as 6·38 lakhs, to which the Hon'ble Pandit takes exception. You will have in the course of the day laid upon the table a statement showing the distribution under the different heads, and a statement showing also the grants for non-recurring expenditure. The grant for Bengal is swollen by a big item for the University for Dacca. Otherwise, considering the number of institutions in Bengal, I do not think that the United Provinces need feel that they have been badly treated in comparison.

"There is a further consideration which must weigh with the Government of India, and that is that the grants already given have not been spent. In the United Provinces Rs. 6,05,000 of the grants already made have not been spent. Hon'ble Members must remember that these grants take a good deal of spending. You have an organisation for a particular scale of expenditure, and if you suddenly give the Local Government a grant of, say, the 12 lakhs that you are asking for that could not be spent in two or three years. I hope the United Provinces, if the finances of country continue to be prosperous, will get more grants, and I feel quite confident that before very long a good portion of the Hon'ble Member's desire will be fulfilled. The Government is not now in a position to increase the grant. It can only give it by taking it away from somebody else, and we do not propose to rob Peter to pay Paul."

The Resolution was put and rejected.

RESOLUTION REGARDING INCREASE OF ALLOTMENT FOR NON-RECURRING GRANTS FOR EDUCATION, SANITATION, ETC., FOR BIHAR AND ORISSA.

The Hon'ble Mr. Madhu Sudan Das:—"Sir, before I proceed to move the following Resolution which stands in my name :—

'That this Council recommends to His Excellency the Governor General in Council that the amount allotted to Bihar and Orissa under the head of non-recurring grants for education, sanitation and other beneficial purposes, be increased by five lakhs of rupees,'

I beg to be excused by the Council for offering my sincere and humble felicitations to the Hon'ble the Finance Member for the prosperity budget which he has presented. In a country like India, where the major part of the revenue comes from agriculture, which is always dependent on the mercies of the heavens, where also the sources of revenue dry up on account of social and other circumstances in other countries, the work of the Finance Member is not a very easy one, and certainly his office is not a bed of roses. When presenting the Financial Statement, the Hon'ble Member said that when he took charge of the portfolio the country was in a state of distressful scarcity. Distressful scarcity very often means feeding many mouths, and it is more distressing to the Member who holds the purse than to those perhaps who are critics outside, we also notice that the two matters which are at the present day considered most important in India, *viz.*, education and sanitation, are receiving his anxious attention and care. It is just possible I may not have an opportunity of meeting the Hon'ble Member before he lays down or rather makes over his portfolio to his successor; so I take this opportunity to assure him that he will carry with him the gratitude of the millions whom he has tried to educate and save from starvation."

The President:—"It causes me the greatest possible grief to inform the Hon'ble Member that he is not in order in praising me. I must ask him to speak to the Resolution."

The Hon'ble Mr. Madhu Sudan Das:—"Sir, to proceed to the Resolution. When there are several children whose comforts have to be provided for, and the *pater familias* has a sum of money which he wants to distribute among his children in order to provide for their comforts, of course all the children plead for their share. Very often the grown-up sisters plead with eloquence, with power, but if there is a baby in the family it casts a look at the father and at the grown-up sisters.

"It looks at the father and this look means, 'I am not responsible if I was born late; I do not know what my needs are; you ought to know what it has cost you to educate my sisters and you ought to provide for me.' Looking at the sisters, it says, 'I understand all your eloquent pleading, that is due to the education for which you ought to be thankful to the father, will you please let me have my chance, let me have the same care and attention which you had in your education and bringing up.' This Bihar and Orissa is a baby province, it was born of the benevolent wishes of His Excellency the Viceroy and the Members of the Executive Council. The memorable despatch of 25th August, 1911, is signed by them. They are all here. They are the fathers of this baby and to them I plead on behalf of the baby. It is unusual to have more than one father, but it is an advantage to have several fathers under the present circumstances, when I plead on behalf of this baby.

"The above despatch says that the new province was created to give it a fair opportunity to development. The people of the three sub-provinces, Bihar, Orissa and Chota-Nagpur, cannot have a fair share of the attention of Government unless the Lieutenant-Governor resides a part of the year in each sub-province. In a durbar held at Cuttack, Sir Charles Bayley in his speech said that he had received injunctions to spend a part of the year at Puri. The only part of the year which the Lieutenant-Governor can spend at Puri, are the summer months, but that is the time when the great Car festival of Juggernath comes on. The influx of pilgrims is very large and, owing to the unsatisfactory sanitation of the place, cholera is an annual visitor.

"Improved sanitation is necessary to make the residence of the Lieutenant-Governor safe. Government is bound to protect the lives of its high officials from epidemics. But the benefits of improved sanitation will be extended to the pilgrims. They hail from all parts of India, from Cape Comorin to the Himalaya mountains. Consequently improved sanitation in a place like Puri will be a benefit to all the provinces of India. That improved sanitation under the supervision of an expert in sanitation can stop the recurrence of cholera, was demonstrated early in the nineties. There was an unusual influx of pilgrims during one year owing to an especially auspicious festival, but Dr. Banks who had made a special study of the science of sanitation managed to prevent the recurrence of the epidemic. There was not a single case of cholera. Humane considerations induced Government to stop self-immolation under the wheels of Juggernath Car. Humanitarian considerations demand that the lives of the pilgrims should be saved from the cruel jaws of cholera.

"Government cannot stop people going on pilgrimage, any more than Government can stop the influx of men to Calcutta. Men go to Calcutta on business, to make money; they go to Puri from religious motives. If the Government could spend crores to improve the sanitation of Calcutta, surely they ought not to grudge a few lakhs, and that out of surplus money now in their hands to save the lives of men, who go to Puri not to serve mammon but to serve God. I am not a worshipper of Juggernath, but I owe it to my Hindu brethren of India to plead on their behalf, and that to save their lives. Government owes a duty to Juggernath. When the British Army from Madras was in a narrow pass in the vicinity of the Chilka Lake, Hunter in his history of Orissa says, a few hundred men would have successfully arrested its progress if they chose to do so; but instead of that, the priests of the Temple of Juggernath invited the Army to take possession of the Temple. The Temple had always been the key to the province. The subsequent peaceful occupation of Orissa was due to this friendly attitude of the priests of Juggernath. After that the British Government in the early days of the East India Company managed

the temple and derived a surplus revenue from that source. Under the present policy of religious non-interference a revenue from such a source will not be acceptable to Government. The allotment of a portion of the surplus in the hand of the Government will give satisfaction to the general Hindu public of the present day and the future historian of Orissa would refer to it as a noble act on the part of a Christian Government to make such reperation, as was possible under the circumstances, for errors of the past. Fortunately there has not been up to this day an outbreak of plague in Puri. If the sanitation of the place is not improved in time, plague will invade it at no distant date. If plague once breaks out in Puri, the responsibilities of Government will be enormous. To enforce the ordinary rules of segregation will be very difficult. Any attempt in that direction will be interpreted as interference with religion. Puri with plague in it will be a centre for the spread of the disease to all parts of India. In the interests of the whole of India, in the interests of the Government Officials it is necessary that a large sum should be made over to the Government of Bihar and Orissa for the better sanitation of this town.

"I would bring it to the notice of the Government that Gya is another place of pilgrim resort in the new province. Thousands visit the place. Its sanitary condition is anything but satisfactory.

"The seat of the new Government, Patna, is plague-stricken. A high Government official, whose head-quarters is in Bankipore, told me that there is no road to take one from Bankipore to Patna, though Bankipore is the place where the Lieutenant-Governor now resides and the Officers have their canvas residences.

"The baby province requires more attention to its sanitation than the adult provinces. It cannot give a list of its requirements for it has not lived long enough to study them or to draw up a scheme. But every father knows that the wants of a baby cost more than those of the adult members, and provision has to be made by a contingent forecast of the future requirements."

The Hon'ble Mr. Qumrul Huda:—"Sir, I support the Resolution brought forward by my friend the Hon ble Mr. Das. With your permission, Sir, I may add, that the Province, being newly created, and being rather more backward than some of the older Provinces, deserves consideration at the hands of the Government"

The Hon'ble Sir Harcourt Butler:—"Sir, I will not follow the Hon'ble mover of this Resolution in his humorous references to nursery finance, nor will I dwell at any length on the educational and sanitary arrangements of the particular nursery, beyond the remark that it is in accordance with experience that, in cases of doubtful paternity, or, shall I say polypaternity, there should be a disposition to pass on a claim for maintenance.

"In this particular case my reply must be somewhat on the lines of the reply to the last Resolution. We have recognised the special claims of the 'baby' Province, because when we worked out the figures of the grants on urban population, the baby Province would only have got about 8 lakhs; but for various reasons, and for other considerations, we raised the allotment to 10 lakhs. Similarly, in the recurring grant, they got 3 lakhs instead of Rs. 2,15,000 which would have been the amount due to them on a bare basis of population figures. And I may add that, at the present moment, out of the educational grants already made $4\frac{3}{4}$ lakhs have not yet been expended.

"As regards Puri and Gaya, I am glad to be able to assure the Hon'ble Member that the Pilgrim Centres Committee over which Major Robertson, the Sanitary Commissioner with the Government of India, will preside, are going to Puri and Gaya with a view to concerting a large scheme for sanitary improvement in both places. That Committee, as you may perhaps remember, is meeting in all the Provinces of India with a view to preparing practical schemes for improving the sanitation at all the big centres of pilgrimage. The work will take some time, and I am sure that it will be very thoroughly

done, and I believe that it will be, in the end, one of the most important sanitary reforms ever carried out in this country. I am told that this Committee will go to Puri next July, and Gaya shortly afterwards. I do not think I need say anything more. I can assure the Council that the needs of the newly created Province are very carefully looked after up here."

The Resolution was put and rejected.

RESOLUTION REGARDING INCREASE OF ALLOTMENT OF RECURRING GRANTS FOR PROMOTION OF EDUCATION AND IMPROVEMENT OF SANITATION FOR BIHAR AND ORISSA.

The Hon'ble Mr. Madhu Sudan Das moved the following Resolution:—

'That this Council recommends to His Excellency the Governor General in Council that the amount allotted to Bihar and Orissa in the distribution of the recurring grants for the promotion of education and the improvement of sanitation be increased by five lakhs of rupees.'

He said:—"The subject-matter of this Resolution is to be found in paragraphs 17 and 18 of the Financial Statement. The total amount of recurring grants allotted to Bihar and Orissa is 10·53 lakhs.

"The recurring grants for education ought to be determined by considerations other than the urban population and lists of schemes ready and waiting for funds.

"The urban population is not a safe guide in determining the demand for education. The urban population is made up to a large extent of business men and their employees and servants—men who resort to towns and cities to earn, not to learn. The population of a town depends on the nature and extent of business done there. In a city like Cawnpore, which commands an extensive business in the manufacture of leather and leather goods, the population would be a deceptive index to the demands of education, for a very large portion of the population either do not want to educate their children, or come to the place to earn their living, leaving their children in their villages.

"There are a very large number of Uryas in Calcutta. There are about a lakh of them in Calcutta and its vicinity. If an Urya Primary School were opened there, I do not think even fifty students will be forthcoming to join it; the reason for this being that these men leave their children at home and go to Calcutta to earn a living.

"As regards ready schemes to go by in determining the needs for education the province of Bihar and Orissa was created the other day, it is a new province, the Government is new; the head of the Government has hardly a place to live in; the Secretaries and high officials are moving about like a nomadic people; they have not had time and opportunities to study the wants of the province in matters of education and sanitation. Under these exceptional circumstances it would not be fair to judge of the wants of the Province by the number of schemes ready for execution.

"We know and believe that this Government's object in separating Bihar and Orissa from Bengal was to ensure to these sub-provinces a larger share of the attention of Government than they received under the old administration. In order to give effect to this noble object, it would not by any means be out of place to take a cursory view of the extent to which the interests of Orissa were neglected in the past.

"Besides the importance which the past has in its connection with the present and future, the past might show reasons for considerations of a compensating character.

"Orissa stands out prominent in the early history of East India Company's connection with Bengal. Their first factories were built in Orissa. The first

two Englishmen who came to Bengal in 1632 came from Orissa, and they were supplied with an Urya escort for their safe journey.

"In the beginning of the nineteenth century the British occupation of Orissa was achieved at the invitation of the priests of the great temple of Juggernath, a singular testimony from the residents of the holy land of Hindus, to their faith in British administration and their hope to participate in its advantages: and this faith they have cherished unabated to this day. But as regards their hopes to participate in the advantages of British administration, alas, they were blighted.

"Orissa was given away to Bengal as its partner; she found in Bengal a partner who demanded the whole absorbing attention of the paternal Government, leaving Orissa in an almost solitary confinement in the dark and cold regions of the zenana; Bengal waxed strong and fat. The endowment of a permanent settlement made Bengal rich. A similar endowment was promised to Orissa. Some promises have been compared to a pie crust. The crust was of no value when people came to know the nature of the contents within. This discovery led to the breaking of the crust. Orissa was completely lost sight of by the paternal Government. How dark the ignorance of Government was with regard to the affairs of Orissa a reference to the devastating results of the great famine of Orissa will show. Over a million of its population died of starvation while the Government as its head-quarters in Calcutta remained in blissful ignorance of this dreadful state of things. I could give a long list of the injustice to Orissa under the Bengal Government, but I shall conclude this mournful part of Orissa's past history by remarking that it was only in 1911 that the Bengal Government discovered that the Bengal land-law did not suit the peculiar agrarian conditions of Orissa, and that Orissa should have a special agrarian law to suit its peculiar local condition.

"What a discovery—after an administration of the country for over a century.

"Ignorance on the part of Government extending over nearly a century has crystallized into a strong prejudice. This is unfortunate and embarrassing to me being the first Urya who found his way to this Chamber. I noticed a remarkable instance of this prejudice born of sheer ignorance in the remarks made the other day by the Hon'ble Mr. Clark. The Hon'ble Member said there are rogues probably in the arcadian groves of Orissa. Had the Hon'ble Member acquainted himself with facts showing to what extent and with what result the Indian Company's Act has been worked in Orissa, he would have come to a different conclusion. No doubt there are rogue elephants in the jungles of Orissa. If the Hon'ble Member ever visits those arcadian groves, for on a sporting excursion he may find his life in dangers from these rogue elephants, but the contents of his pockets will be safer than they would be in Piccadilly circus.

"As regards education there was still greater injustice. Probably it was thought proper to enforce the zenana rules and the light of foreign education was shut out from Orissa. The first Urya young man (I can hardly believe I was ever young) who cherished the idea of a University education had to go to Calcutta, a journey of nearly three weeks.

"Long after Bengal had made gigantic progress in Western education the chance of high education on a very limited scale was given to Orissa. The college was ill-equipped. Cheap management was the main object in view. For a few years Urya students were given an opportunity to study law. There was no law college, but a cheap arrangement was made by which one of the Urya pleaders undertook to teach all the classes.

"Government would not pay a farthing. The lecturer was paid from the fees realized. But nevertheless the result was very creditable.

"The students from these law classes not only passed but secured distinguished positions among the successful candidates and some time topped the whole list of successful candidates. But subsequently the privilege was taken away from them, and now the Urya students have to go to Calcutta;

but this arrangement is not popular with some parents. They do not like young men to be away from parental influence. The last year's results of the Calcutta University in the Intermediate and Bachelor Degree examinations will show that Urya boys occupy high places among the successful candidates.

"Let us take female education. Government sent a Bengal lady as Government scholar to England to study training there. Government would not spend a pice for the Urya girls. But nevertheless Orissa sent a young lady to England with the same object. On her return from England she started a girl school in 1908. This was maintained by private subscription which amounted to several thousand rupees, while Government paid only a grant-in-aid. The school teaches up to the Matriculation standard and girls have passed Matriculation from the school.

"Even in the city of Calcutta the oldest girl school known as Bethune School is supported even now entirely by Government, and Government pays a much larger sum than they ever paid as grant-in-aid to the school in Orissa.

"Let us now take the percentage of literate population in the several provinces. The census figures of 1901 show that Orissa has the highest percentage of literate population in India. The figures are as follows:—

These figures show the number per 10,000 persons (of both sexes) over 15 years.

Bengal proper	938
Bihar	503
United Provinces	426
Punjab	526
Madras	903
Bombay	838
Orissa	1,019

"The facts given above furnish sufficient data for a reply to the following question:—

"Has Orissa made a proper use of the small educational advantages granted to her? The parable of the talents does not lay down a principle exlusively applicable to the relation of master and servant. It applies with great force to the relation between the paterfamilias and his children. To the several races of India the Viceroy occupies the position of a father. May it not be justly said of Orissa 'thou hast been faithful over a few things, I will make thee ruler over many things.'

"The benefits of education should not be judged by the number of graduates which the Colleges turn out. There is mal-assimilation in education as much as there is in the supply of nourishment to the body. Indigestion in the brain is more dangerous than indigestion in the stomach. The latter kills the sufferer only, whereas the former is a source of danger to society. The costs of treatment of the latter (indigestion of food) are borne by the sufferer, but ill-digested knowledge produces moral and political epidemics which have cost the State immense sums. There is another consideration which should influence Government in judging the claims of Bihar and Orissa for additional grants for education. Orissa is a temporarily settled area. That is a strong reason for preferring the claims of Orissa to provinces which enjoy the boon of permanent settlement. A permanent settlement produces a rich aristocracy, who should feel their obligations to the tenantry. The increasing prosperity of the tenantry arising from rise in prices and improved method of agriculture is shared by their landlords. No part of it comes to the State. But in a temporarily settled area, Government have their share in the rising prosperity of the country. It is but just that in the matter of the mass education the ryot who contributes to the Imperial Exchequer in a gradual ascending scale should have greater share in the distribution of the funds in the hands of Government available for education and sanitation.

"One more matter and I have done—

"I beg to be pardoned for offering a remark on the educational policy of Government: not generally, but so far as it concerns the noble anxiety of

Government to develop technical education. We all admire and are thankful to Government for spending large sums of money in sending young men to Europe to study the details of particular industries. The public have also liberally subscribed, lent their sympathy and worked on the same line with the same object in view. But what has been the result?

"I knew a young man who studied agriculture in England at Government expense, but he worked as a Magistrate and retired as a Sessions Judge. I know other Government scholars who became experts in agriculture, but are working now as Deputy Magistrates. I know a young man who learned the sugar industry as it exists in Japan; but he is now a Deputy Collector in a Native State. Instances might be multiplied. The mistake lies in beginning at the wrong end. Industries in Europe are managed on organised principles. The governing principle at the bottom of organised industry is division of labour. Division of labour secures finish, saves time and necessarily effects cheapness; and cheapness is an important consideration which all anxious to secure success in a competition with Europe should keep before their eyes. During ages in the past history of India, the caste system has developed a contrary principle, a principle which operates as a great obstacle to the introduction of division of labour. The various handicrafts rest on the basis of caste. The same man does a work in all its stages from start to finish. Consequently there is no division of labour in the sense it is adopted in the factories in Europe.

"The present need of the country is to educate the eye and the hand by means of such primary education which will impress on the mind of the student the advantages of skilled labour, of division of labour, of the value of time and of the value of carefulness in handling machines. Before skilled labour is available, before the country has its sufficient supply of literate workmen, all efforts to transplant the industries of Europe must fail. This embodies the result of my practical experience extending over several years.

"Orissa is a province especially suited for primary education on the above lines. The ancient architecture of Orissa shows the Oryas' capabilities in the direction. But alas the hand that carved out of rough sand stones the beautiful figures in the temple of Bhubneswar (figures referring to which a Lieutenant-Governor once remarked that if he had the time he would gaze on those figures for days), the hand which carved those figures now drives the plough for two annas daily wages. Can't anything be done to restore to that hand its original value?

"The amount mentioned in the Resolution is five lakhs. I leave it to the discretion of Government to increase the present allotment by such amount that can be spared without injustice to other provinces. I shall be satisfied if I have succeeded in convincing Government that in the past injustice has been done to Orissa. I shall then consider the increase as an earnest of the Government's desire to accord a more sympathetic audience to the claims of Orissa in the future."

The Hon'ble Sir Harcourt Butler:—"I really answered this Resolution in dealing with the preceding one when I pointed out that the Province of Bihar and Orissa had already got more money than it could spend for the time being, and that it had received a very liberal share of the allotments which have been made. The Hon'ble gentleman does not indicate where extra money is to come from. That is a difficulty which I feel faced with in regard to all these Resolutions that have been advanced this morning. One answer covers them all. We have every sympathy with the desire of the Provinces to advance in the matter of education and sanitation, and we have shown, I think, the sincerity of that desire by the liberal grants that have been made. That you want more is quite natural. That we must refuse as we have not got the money is also natural; and I must ask you to accept that as the answer of the Government to this Resolution."

The Resolution was put and rejected.

RESOLUTION REGARDING INCREASE OF GRANT TO MAJOR PROVINCES FOR RECURRING EXPENDITURE ON EDUCATION AND SANITATION FOR DEVELOPMENT OF TECHNICAL EDUCATION.

The Hon'ble Mr. Fuzulbhoy Currimbhoy Ebrahim :— " Sir, I beg to move the following Resolution, for which I have obtained permission under rule 3 for the discussion of the Financial Statement :—

"That this Council recommends to the Governor General in Council that the grant of 85 lakhs proposed to be distributed to the Major Provinces for recurring expenditure on Education and Sanitation in the Budget, be increased by an additional sum of Rs. 15 lakhs from the Imperial Revenue, which should be specially allotted for the development of Technical Education."

" I may frankly state at the outset that my object in bringing it forward, is to obtain from Government, if possible, the acceptance of the principle that the development of Technical Education in this country should be fostered and guaranteed by a special annual allotment in the same way as the development of railways or the improvement of irrigation. It is, I need hardly point out to this Council, on the same plane of importance as a means of advancing the material progress of the country as railways and irrigation works. It has been admitted again and again that the one certain safeguard against the recurring calamity of famine, is the development of industries which will provide the masses with work and wages at a time when the agricultural industry has become impossible in any part of the country owing to the failure of rains. I gratefully acknowledge all that has been done in recent years by the Government of India and by Local Governments to promote Technical Education. The admirable Resolution on Education, issued by the Government of India a few days ago, sums up the more important aspects of the recent growth of Technical Education during the last nine years, among which are the establishment of scholarships tenable in Europe and America, the opening of the Indian Institute of Science at Bangalore and the sanctioning of the establishment of a great Technological Institute at Cawnpore for the chemistry of certain important industries for which there is a favourable field in this country, and more especially in the United Provinces. Industrial schools have been opened in several Provinces during the last decade. The important Educational Conference, which was held at Allahabad under the distinguished presidency of the Hon'ble Member for Education, formulated certain definite recommendations which have been accepted by Government, and since then there has been the inquiry carried on by the Committee of which Colonel Atkinson and Mr. Dawson were members. With reference to the report of the last-named Committee, I may take this opportunity of saying that, although I agree with their main recommendations, namely, that Technical Education in colleges should be supplemented by a period of apprenticeship, I am unable to agree with them in their views on the subject of the State Technical Scholarships now in existence. So far from these scholarships being discontinued or reduced in value, I am of opinion that they should be given in larger numbers so as to enable young Indians of education and capacity to avail themselves of them. The hackneyed argument that education in foreign countries removes students from the environment of local conditions, has even less application to industrial than to any other branch of studies, because the environment we seek to create in this respect in India is essentially western. Although, therefore, I entirely appreciate the recommendations made by the Committee with a view to meet the demand of employers at present, I earnestly hope that nothing will be done which may have the effect of retarding the progress of higher Technical and Scientific Education, because, as was wisely pointed out by the Hon'ble Sir Harcourt Butler in his admirable memorandum on the subject which he drew up for the Government of the United Provinces six years ago, in countries yearning to be industrial, as India is yearning at the present moment,

Technical Education has begun largely at the top. It has been truly remarked in the recent Government Resolution *that no branch of education at present evokes greater public interest than Industrial and Technical Education.* The country is awakening to a realisation of the fact that its regeneration is largely dependent on its economic and industrial advancement. In my own province a large scheme has been formulated for developing the Victoria Jubilee Technical Institute into a central Technological Institution, controlling and guiding the technical schools in the districts. If the public and the Local Governments are assured, by the allocation of a definite annual amount in the Imperial Budget, of the support of the Government of India, I am sure that a powerful impetus would be given to their already strong interest in Technical Education. That is the reason why I have taken the liberty of placing the recommendation embodied in my Resolution before the Council. I should like, before resuming my seat, to state that this Resolution is in no way conceived in a spirit of hostility to other branches of education. On the contrary, it is my firm conviction that a large extension of primary education is essential to the industrial growth of the country, and those who are working hard to achieve that object, whether officials or non-officials, have my cordial sympathy. So also in regard to secondary and higher education, I do not think it possible to question the advantages, moral and material, which the country is bound to derive from their extension. My object in bringing forward this Resolution is simply, as I said at the outset, to give Technical Education a recognised and permanent place in the Budget as an object of constant concern to Government and as a means of developing the resources of the country.

" Sir, for the information of Hon'ble Members I may say that the Persian Government has spent nearly 15 lakhs of rupees, the amount which I have just recommended, on the maintenance of one single Institute, namely, the Shah Technical High School. I think looking to that fact that this is a very modest recommendation, and I hope it will receive the approval of the Hon'ble Members of this Council."

The Hon'ble Sir Harcourt Butler:—" Sir, the Government of India are in sympathy with the Hon'ble Member as to the importance of Technical Education, and I think that they have shown that sympathy, because since the new Department was created they have given no less than Rs. 4,084,300 to capital charges for technical and industrial education and a recurring grant of Rs. 3,50,000 for the same purpose in addition. In the statement which I shall lay on the table in the course of the day you will see that Technical Education is provided for, conjointly with the education of girls. They have been put together because under neither head are schemes far advanced, and we wish Local Governments to push on whatever schemes are ready.

" The Hon'ble Member will realise that great difficulties have been encountered, experiments have to be made and failures have to be overcome. I wel recollect a particular Institution—the Industrial School at Lucknow—at which the curriculum has been revised about ten times to my knowledge, the difficulty being to attract boys and to get them employed at the end of their school course. As regards technical scholarships, I wish to correct an impression that there is any intention of discontinuing them. That is not the case. The only question is how best to employ them. I do not think I need say anything more. I welcome the interest that the Hon'ble Members have taken in Technical Education. I can only say that if any Member of this Council will come forward with a practical scheme to start in any place, the Government of India will be very glad to discuss it with the Local Governments. Technical Education, as other branches of education, is decentralised and in the hands of Local Governments. The Government of India will give the money as far as it can, but schemes must be worked out by Local Governments, and I am sure that all Local Governments will welcome any help on this very difficult branch of education."

The Resolution was then put and rejected.

RESOLUTION REGARDING ADDITIONAL GRANTS FOR SANITATION IN BENGAL.

The Hon'ble Maharaja Ranajit Sinha :—"I beg leave to move the following Resolution that stands in my name :—

'That this Council recommends to the Governor General in Council that an additional grant of Rs. 20 lakhs be given for Sanitation in Bengal.'

"In bringing forward this question I need hardly tell that I am neither actuated by any desire to shew my activity in the Council nor to embarrass the Government in any way. The sheer necessity of the Province which I have the honour to represent has led me to do so. I shall be wanting in my duty if I fail to express my deep appreciation of the kind attention which the Hon'ble Member in charge of the Finance Department has devoted to this important head of expenditure and for the liberal provision he has made for the same In one portion of his speech at the time of presenting the Financial Statement, he said that 'Education and Sanitation' have the support of both official and non-official opinion, and in another portion of his speech he described 'Sanitation and Education' as twins of phenomenal development. Sir, these statements have encouraged me to hope that my appeal will not altogether go in vain, and that education and sanitation should go on hand by hand. I find that two and half crores have been provided for education, whereas only one and half crores are budgeted for sanitation. By quoting these figures, Sir, I do not at all mean to envy the grant for education or to question the reason of the differentiation between these two grants, but that my object is to plead for more liberal consideration for sanitation.

"Sir, as regards Bengal, it could lay better claim than any other sister province on the kind consideration of the Government. It is well known that Bengal is the most unhealthy Province in the whole British Empire, and as it is now constituted there is not a single district except Darjeeling which may be called a healthy station. If my information is correct, when the Civil Service cadre was under revision last year, all the European officers and even some of the Indian officers were eager to go to Bihar only because of the insanitary condition of Bengal. There is not a single district in the Province which is not afflicted with malaria. Whatever may be the scientific cause of the outbreak of malaria, it is certain that for the better sanitation we require free ventilation of air, light, and pure drinking-water Sir, if one goes to the interior of a district he finds that almost all the houses even within the Municipal area are covered with jungles and trees so much so that houses are not visible even from the main road.

"There are pits and holes all round the houses where waters accumulate during the rainy season, and when they commence being dried up after the rains malaria breaks out in a virulent type.

"Sir, the rivers and water channels which were the main supply of drinking water in most of the villages are now gradually being silted up, and just after the cold weather the water becomes stagnant and unwholesome for drinking purposes In various places the people have no other alternative but to resort to use the muddy waters which accumulate in *Bhils* and pits during the rains for bathing and drinking purposes, and I doubt not that my Hon'ble friends who have special experience of Bengal will bear testimony to this fact. I am grateful to the Government for giving up the whole of the public works cess, and I am sure they will be able to devote more money for rural sanitation. But, Sir, the needs of Bengal in this respect are so great, that I am afraid that even with this concession it will hardly be able to cope with it fully and specially that sum won't go to the Municipality which is also in no better position in that respect. I therefore hope that the Hon'ble the Finance Minister will be able to grant the sum which I have prayed for."

The Hon'ble Mr. Sita Nath Roy:—"Sir, I beg to support the Resolution of my Hon'ble friend, Maharaja Ranajit Singh, in which he has asked that the Government of India would be pleased to increase the grant for Sanitation by 20 lakhs of rupees. In support of that I beg to say that I am aware, Sir, that the Government of India has been kind enough to treat Bengal very liberally, and that the Government of India has been good enough to set free the sum of 25 lakhs of rupees which is to be derived mainly from Public Works cesses. I do not enter into the history of those cesses, but suffice it to say that a great wrong has been remedied by remitting this grant of 25 lakhs of rupees and making it over to the District Boards. While we are grateful to the Government of India for the liberal way in which Bengal has been treated, it must be remembered, at the same time, that the requirements of Bengal are varied and various, and now that the Province has been raised to the status of a Presidency, it is necessary that it should be properly treated. Over and above that, I also recognise that the sum of 20 lakhs of rupees has been set apart for the sanitation of urban areas. But what about the rural areas? Millions and millions of people have their homes in rural areas. It is well known that malaria and cholera are the two greatest scourges of Bengal. Several districts which were formerly considered as sanataria, for instance, Burdwan, Hughli, Nuddea and other districts, have now been deserted. Wealthy people have transferred their homes from those districts to Calcutta and other places. It is well known, and it was seen that in the last census, the population of Nuddea, and I believe of Jessore, were found to be less than what was found in the previous census. Bengal is water-logged and it is liable to be inundated for some months of the year, and, as my friend has told us, the greatest want of Bengal is the scarcity of good drinking-water. During the hot months this want is very keenly felt, and what the people do drink in the interior, in mofussil areas, is nothing more than diluted sewage. Under all these circumstances, the improvement of the water supply is essential if we are to get rid of cholera which is the greatest scourge of India and of Bengal especially, where this disease commits great havoc. During the cholera season when it breaks out in Eastern Bengal, the poor people in some places, far from seeing the face of a doctor, cannot even get a drop of medicine to relieve them from this epidemic disease. Under these circumstances, great care should be taken to establish more charitable dispensaries and to excavate new tanks in rural areas.

"Therefore, with the greatest pleasure, I support the Resolution moved by my Hon'ble friend."

The Hon'ble Sir Harcourt Butler:—Sir, as both Hon'ble Members have expressed their great gratitude for the liberality of the grants made by the Government of India, neither they nor the Council will expect me to occupy much time in my reply.

"The grant made to Bengal is really very liberal, as indeed I think the Bengal Government would probably admit, and they benefit to the extent of close on 25 lakhs by the addition to the resources of Local Boards of the full amount of land cesses. In regard to that, in the statement which I shall lay on the table at the close of the day I made these remarks:—

'The Government of India trust that a substantial portion of the sum now added to the resources of the Boards will be set apart for the improvement of rural water supply, for anti-malarial measures, for the protection of grain stores and markets in plague infected localities, and generally for the sanitation of villages and small towns. General schemes of rural sanitation are not yet sufficiently advanced to justify the Government of India in making large grants for this object; but the Government of India are deeply interested in the subject and will consider favourably any proposal to utilize for rural sanitation, part of the grants now made provided a practical scheme is put forward.'

"It was very evident at the Sanitary Conference at Madras that schemes for rural sanitation were not ready. If practical schemes are ready which will not be simply pouring money into a sieve, as would be at present, in most cases the Government of India will of course consider them. They are very deeply interested in the subject, but it is surrounded by very great difficulties,

and experiments are being conducted in different parts of India which show that there is need for very great caution.

"In addition, the Government of India have made a grant of Rs. 50,000 for research, particularly as to the effect on malaria of clearing away jungle round villages. That research is not yet completed.

"I do not think that I need say any more to satisfy the Council that the Government of India are in sympathy with the objects which Hon'ble Members have at heart. If I had accepted the five or six Resolutions which I have been answering in the course of this morning, it would have added 57 lakhs to the Budget, and I should have been more gratified than any body to see them there; but we have to find the 57 lakhs first. I can only say that the subject will continue to occupy the close interest of the Government of India."

The Resolution was put and rejected.

RESOLUTION REGARDING SEPARATION OF JUDICIAL AND EXECUTIVE FUNCTIONS.

The Hon'ble Babu Surendra Nath Banerjee :—"Sir, I have the honour to move the following Resolution :—

'That this Council recommends to the Governor General in Council that the grants made to Local Governments be increased by such allotments as the Government of India may think fit with a view to enable them to carry out the experiment of the separation of judicial and executive functions in the administration of criminal justice in areas to be selected by them with the approval of the Government of India.'

"Sir, the Resolution is a financial one involving, however, administrative issues of great moment. I have tried to make the Resolution as moderate as I could. The Resolution speaks of the separation of judicial and executive functions as an experiment. It is to be in the nature of a tentative measure, not to be definitely incorporated into the regular administrative machinery unless and until it has been tried and has been found successful. If it is attended with results other than those anticipated by its supporters, the experiment will have to be abandoned. The point upon which I desire to lay particular stress is this, that the dominating note of the Resolution is that the separation is to be an experiment for the present, and that its further extension and development is to depend upon the results obtained and the experience gained. Nor is this all. The experiment is not to be tried all over the country, nor even in the Regulation provinces, but only in such areas as may be selected by the Local Governments, subject to the supervision of the Government of India. Therefore, Sir, all that the Resolution seeks to secure is the acceptance of the principle in a definite and practical form, leaving its application to areas such as the Government may in its wisdom decide.

"I claim therefore, on behalf of this Resolution, that it is fenced round by conditions which ought to allay the fears and anxieties of the most cautious among administrators.

"Sir, not for one moment do I lay aside my own strong personal conviction on the subject, or my sense of the unspeakable boon which this reform will confer upon all those who may have to appear before our criminal Courts; but at the same time I feel that I have no right to thrust my convictions, however deep-seated they may be, upon a great Government weighted with a sense of its responsibility and naturally anxious to proceed with due caution and circumspection. Sir, no Englishman can regard this combination of judicial and executive functions, this lumping up of the prosecutor and the judge in one and the same person, without violence to his own in-born instincts and the traditions and environments in the midst of which he has been brought up. Accordingly we find, from the earliest days of British rule, many distinguished Anglo-Indian administrators, to whose testimony I shall presently refer, expressing themselves in terms of strong disapprobation of this defect in the administrative machinery and urging its modification. So far back as the year 1792, in the days of Lord

Cornwallis, under Regulation II of that year, it was declared that the combination of these two functions was extremely undesirable. That view was reiterated 40 years later by a distinguished Anglo-Indian administrator, Mr. Frederick Halliday, who, as President of a Committee that was appointed to inquire into the police organisation, said that it was most undesirable, and the same opinion was endorsed by his colleagues. With your permission, Sir, I will read what Mr. Frederick Halliday said in this memorandum:—

'The union of Magistrate with Collector has been stigmatized as incompatible, but the junction—he is using much stronger terms than I have or mean to use—the junction of thief-catcher with judge is surely more anomalous in theory, more mischievous in practice. So long as it lasts the public confidence in our criminal tribunals must always be liable to injury and the authority of justice itself must often be abused and misapplied, and the power of appeal is not a sufficient remedy. The danger of injustice under such circumstances is not in a few cases, not in any proportion of cases, but in every case. In all, the Magistrate is constable, prosecutor and judge.'

"Sir, quite a distinguished galaxy of Anglo-Indian Statesmen have expressed the same view, including such men as Sir Cecil Beadon, Sir John Peter Grant, Sir Bartle Freer. The two former rose to the position of Lieutenant-Governor of Bengal; the latter completed a distinguished Indian career by becoming Governor of Bombay.

"Sir, this question came up for consideration before this Council in 1860 in connection with the Police Bill, which has since become Act V of 1861. It was then held—the Government of India held it—that that Bill in which there is this combination of judicial and executive functions, was a temporary measure, and Sir Barnes Peacock, Chief Justice of Bengal, who was then Vice-President of this Council—in those days Judges were permitted to be Members of this Council—strongly advocated—(I am quoting his words) 'the total and complete severance of these two functions.' The Hon'ble Mr. Scones complained that 'the Bill was a half measure'; and Sir Bartle Freer in his reply observed that he would be glad to make it a whole measure, and, if the Government consented, he would bring about at once the separation of judicial and executive functions.

"That was said in 1860. Since then, Sir, the question has again and again come up before the public in consequence of instances of miscarriages of justice with which I need not trouble the Council. I may add that the Indian National Congress kept this question well in the forefront of its deliberations, and Lord Dufferin in 1884, adverting to the growing volume of public opinion in this connection, said that it was a counsel of perfection.

"Lord Cross, Conservative Secretary of State for India, Lord Kimberley, Liberal Secretary of State for India, in the discussions that took place in the House of Lords declared their adhesion to this principle. In 1899, a very important memorial was addressed to the Secretary of State for India, Lord George Hamilton, by several distinguished persons, including Lord Hobhouse, who at one time was Law Member of this Council, Sir Richard Garth, Sir Richard Couch, late Chief Justices of the High Court of Bengal, Sir Raymond West, of the Bombay Civil Service, Sir John Budd Phear, Sir William Markby, Judges of the High Court of Calcutta, Mr. Reynolds of the Revenue Board of Bengal. Nothing came of this memorial beyond a pious expression of hope that the needful would be done at some future time.

"Sir, the question received an added impetus by the discussions which took place in this Council in March, 1908, when Sir Harvey Adamson, Home Member, made a very important pronouncement on behalf of the Government. With your permission, Sir, I will read that pronouncement. 'I fully believe—I am quoting from his speech delivered, I think, on the 27th March, 1908, though I am not quite sure of the exact date—'I fully believe that Subordinate Magistrates very rarely do an injustice wittingly, but the inevitable result of the present system—(the combination of judicial and executive functions)—is that criminal trials affecting the general peace of the district are not always conducted in that atmosphere of cool impartiality which should pervade a Court of Justice. Nor does this completely define the evil (he calls it an evil)

which lies not so much in what is done as in what may be suspected to be done: for it is not enough that the administration of justice should be pure: it can never be the bedrock of our rule unless it is also above suspicion.'

"I do not think it is possible to add to the force and eloquence of these words. I therefore claim, Sir, that we have a vast body of official testimony coming from officials of the highest eminence, impregnated with a lofty sense of their responsibility as Members of this great Government in support of the principle underlying the reform which I have ventured to place before this Council. Not only that, Sir. We have passed the stage of discussion; we are about to enter upon the stage of action. On this occasion, in the course of this debate, Sir Harvey Adamson declared that the Government of India had definitely decided to introduce the reform, it may be in a cautious and tentative way. I will quote his words. He said:—'The Government of India have decided to advance cautiously and tentatively towards the separation of judicial and executive functions in those parts of India where the local conditions render that change possible and appropriate.' Sir, the Local Governments take their cue from the Supreme Government. This was said in March, 1908. As I have just observed, the Local Governments derive their inspiration from the Supreme Government, and in the Budget discussion which took place in the Bengal Legislative Council in April, 1911, Sir William Duke, now Member of the Executive Council of Bengal, then Chief Secretary to the Government, held out the distinct promise that the reform would be introduced at an early date. I will quote his words:—

'The scheme for the separation of judicial and executive functions is continuously under the consideration of Government, and no doubt some proposal regarding it will be brought forward as early as possible. But a scheme of that kind is one which requires mature consideration, not merely by the Provincial Governments, and it is certainly unlikely that anything will take place within this year to which the Budget refers.'

"The Government of India decided that an advance should be made in a cautious and tentative way, and here, the Chief Secretary to the Government of Bengal with a due sense of the responsibility of his utterances, says that 'The scheme is continuously under the consideration of Government, and no doubt some proposals regarding it will be brought forward as early as possible.' Those are his words. But he goes on to add 'a scheme of that kind is one which requires mature consideration, not merely by the Provincial Governments, and it is certainly unlikely that anything will take place even this year the year to which the budget refers.' That was said, Sir, in April, 1911. We have a still later pronouncement In September, 1912, round this table, though certainly not in this hall,—I think it was the Home Member, I am not sure, but it was a Member of the Government of India speaking on behalf of the Government who said in reply to a question asked by the Hon'ble Mr. Sacchidananda Sinha, that the matter was under the consideration of the Government of India. Therefore, Sir, we have three outstanding facts to be gathered from the three pronouncements to which I have called your attention. In the first place, that the Government of India have decided to inaugurate this experiment, tentatively or cautiously is immaterial, but that the Government have made up their mind to start this experiment. Secondly, we have it from the lips of the Chief Secretary to the Government of Bengal, speaking on behalf of that Government, that the experiment would soon be introduced, and lastly, we have the statement made, on the floor of this Council by a responsible Member of the Government of India, that the matter is under consideration. Therefore, Sir, I take it that the question has emerged from the stage of discussion, and has entered the stage of practical politics. And, Sir, it seems to me that one of the immediate effects of this separation would be an effect highly beneficial to the interests of the Indian Civil Service. We have heard a great deal about the necessity of judicial training of the members of the Indian Civil Service. I have no opinions of my own on that subject, because I myself am not a lawyer and have never been one; but, Sir, it is clear that the effect of the separation of the executive and judicial branch would be a severance of that alliance between the executive and the judicial branches which, I think,

does not improve the tone of the judicial branch, and a concentration of the attention of the judicial branch upon its own appropriate duties. Well, Sir, it is clear that the Government have decided to introduce this experiment cautiously and tentatively, and the question is, when is that to be done? We have waited long enough; how much longer are we to wait? In 1911, the matter was under consideration. It was time that the deliberations of Government should bear fruit in some practical scheme inaugurating this experiment.

"The only possible objections that I have heard against the inauguration of this experiment are prestige and cost. Sir, with reference to the question of prestige, I will say this, that that indeed is a poor sort of prestige which is associated with a system that in theory is indefensible, and in practice is attended with miscarriage of justice. Such prestige is no aid to the Government: on the contrary it is a source of weakness and embarrassment to the Administration. With regard to this question of prestige, again, a convincing reply comes from Sir Harvey Adamson, and I venture to quote it. He says, in the course of the debate on the 27th of March, 1908:—

'Can any Government be strong whose administration of justice is not entirely above suspicion? The answer must be in the negative. The combination of functions, in such a condition of society, is a direct weakening of the prestige of the Executive! The fetish of prestige, in the larger sense has been altogether discarded, and no longer forms an operative part of the policy of the Government of India.'

"Here again I quote a very distinguished authority, namely, Mr. Montagu, the present Under-Secretary of State for India.

"Speaking at Cambridge in 1912 he referred to prestige as a principle and policy which has often controlled the actions of the Government of India. This is what he said:—'Oh India! how much happier would have been your history if that word had been left out of the English vocabulary! But there you have Conservative Imperialism at its worst. We are not there mark you, to repair evil, to amend injustice, to profit by experience. We must abide by our mistakes, continue to outrage popular opinion simply for the sake of being able to say 'I have said what I have said.' I have in other places and at other times expressed my opinion freely on prestige. We do not hold India by invoking this well-mouthed word. We must uphold it by just institutions and more and more as time goes on by the consent of the governed.'

"The question therefore resolves itself into one of cost; and with reference to this aspect of the question of cost, I again appeal to the authority of Sir Harvey Adamson. He said the experiment may be costly, but the object is a worthy one. And Sir, in 1883, Mr. Romesh Chunder Dutt—a name honoured in Bengal, I hope, not only amongst my own country men but amongst the members of the Indian Civil Service—formulated a scheme. Mr. Romesh Chunder Dutt was a brilliant executive officer. He was the first Indian who rose to the position of Commissioner of a Division, and during the time he was District Officer he held charge of three of the heaviest districts in Bengal—Backergunge, Mymensingh and Midnapur. Mr. Romesh Chunder Dutt thought that an addition of about 30 Deputy Collectors ought to suffice for the purpose of the separation of judicial and executive functions. He gave this opinion before the days of the recent redistribution of territory. The size of Bengal is not now what it used to be in 1893. Assuming that 30 Deputy Collectors would even now be necessary for the separation of the functions, the cost would be 1½ lakhs, on the basis that each Deputy Collector with his establishment would cost R500 a month. Sir Harvey Adamson has also himself formulated a scheme. That scheme was laid before the Council in 1908. The central idea of the scheme was the complete separation of judicial and executive functions, and the appointment at the head-quarters of each district of a District Officer and a senior Magistrate,—the District Officer is to be in charge of the executive work, and the senior Magistrate of the judicial work. The District Officer is to be assisted by Civilians, Deputy Collectors and Sub-deputy Collectors. The senior Magistrate is to be assisted by Civilians, Deputy

Magistrates and Sub-deputy Magistrates. Sir, this scheme involves, so far as I can see, the appointment of a senior Magistrate in each district where the experiment is to be tried. Assuming that the senior Magistrate would be an officer of the position of a District Officer, the pay and establishment of the senior Magistrate would be about R2,000 a month, for every district to which the experiment is extended. Taking Bengal, at the present moment we have twenty-five districts in Bengal excluding the two non-regulation districts. I confine myself to Bengal because my experience does not extend to other parts of India. Assuming that the experiment is to be extended to all the twenty-five districts, the cost would not come to more than 6 or 7 lakhs a year for Bengal. But, Sir, there is the additional safeguard to which my Resolution points, namely, that the experiment is to be extended to such areas as the Government may select. The Government can thus always control the expenditure. But, Sir, whether the expenditure be great or whether it be small, it has to be faced; for in the words of Sir Harvey Adamson, 'the object is a worthy one.' Sir, justice is the bulwark of States and Thrones. Justice is and has always been the strongest support of British rule in India. 'A single act of injustice, or one held as such by the people' said a great Anglo-Indian authority in this Council Chamber, 'is more disastrous to British rule than a great reverse sustained on an Asiatic battlefield.'

"The Court of Directors again and again reminded their servants in India that not only is it necessary that justice should be done, but also that the people should be convinced that justice has been done. I can conceive no better investment of public money than its investment for the improved administration of justice, rendering it efficient, pure and above all suspicion. It will bring an abundant return in the added happiness, prosperity and contentment of the people.

"Sir, the Government of India makes a large surplus out of the law Courts. I have got the figures here before me. For 1913-1914 you estimate the receipts from the law Courts as amounting to 5¼ crores, and the expenditure to 4½ crores, which means a surplus balance of 75 lakhs. That is not all. On the Miscellaneous side you have receipts to the extent of 48 lakhs. Deducting from it 11 lakhs as the cost of stamps, you have a revenue of 64 lakhs plus 48 lakhs, or a surplus balance of over a crore. I claim, Sir, that the first charge on this surplus balance should be the improved administration of justice. And no improvement is more urgent, more vital, or will be acclaimed with more genuine enthusiasm by a grateful people, than the separation of judicial and executive functions in the administration of criminal justice. I hold and my countrymen hold, that the Government is pledged to carry out this reform. I invite the Government to redeem its pledge; and when it will have done so, it will have conferred an unspeakable boon upon the masses of the people for whose welfare all Governments exist. For this reform will not sensibly affect the rich and the well-to-do or those who are able to take care of themselves, but the poor and helpless millions of my countrymen who have to attend the criminal Courts. With these words, Sir, I beg to move the Resolution that stands in my name."

The Hon'ble Maharaja Manindra Chandra Nandi of Kasim Bazaar:—"Sir, in supporting the Resolution moved by the Hon'ble Mr. Surendra Nath Banerjee, I may, with your permission, mention that among the questions drafted by the Royal Public Services Commission there is one referring to this very subject of the separation of judicial and executive functions in the administration of criminal justice. The result will be that a certain body of opinion will be recorded for and against the proposal. It appears to me, Sir, that the stage at which the accumulation of such evidence was necessary has gone by, and the time has arrived for a practical experiment. It may be in the recollection of Hon'ble Members that so far back as 1899 a memorial was presented to the Right Hon'ble Lord George Hamilton, then Her Majesty's Principal Secretary of State for India, urging the need for the separation of judicial and executive duties in India. Among the signatories to that memorial were such high authorities as Lord Hobhouse, Sir Richard Garth, Sir

Richard Couch, Sir Charles Sargent, Sir William Markby, Mr. Herbert Reynolds and others. The arguments used in that memorial made out conclusively a case for the separation of the two functions. It is not necessary for me to refer here and now at any length to such mature and considered proposals as those of Mr. Monomohan Ghose and Mr. Romesh Chandra Dutt. I respectfully submit that the matter should no longer be treated as an open question, and I hope the Resolution will receive the support it deserves."

The Hon'ble Raja Kushalpal Singh:—"Mr. President, after the very able, exhaustive, and eloquent speech of the Hon'ble mover of this Resolution, it may seem presumptuous on my part to address the Council on this subject. But it seems necessary to show to the Government that the conservative bodies like the landed aristocracy of the province of Agra are in favour of this Resolution. The union of executive and judicial powers is contrary to right principle. The combination of these functions is objectionable in principle and mischievous in practice. It has been well said that 'the frame of mind necessary for an executive officer and the frame of mind necessary for a judge are different. Executive officers ought to mix freely with the people; they ought to try to make friends with them, they ought to see this, and they ought to see that; a judge, on the contrary, ought to shut his ears against everything except that which comes before him in Court. But an executive officer has as such to learn everything and to do everything, and when he comes upon the bench, he is expected to divest his mind of whatever he has heard elsewhere. Even the best officer of Government is after all a human being'.

"As to the plea of increase of expenditure it would not be necessary to make any considerable increase in the total number of officers employed. The landed aristocracy of every province is beginning to take a fair share of public work and with the progress of education among the aristocracy their share will continue to grow. The disposal of the greater part of the criminal work can safely be entrusted to Honorary Magistrates sitting singly or by benches. It is not at all difficult to so distribute work and allot officers so as to make available a sufficient number of them for purely executive work. A portion of the surplus should be applied towards the inauguration of this reform. For the foregoing reasons, I beg to second this Resolution and to recommend it for acceptance by this Hon'ble Council."

The Hon'ble Rai Sri Ram Bahadur:—"Sir, I support the Resolution which has been so ably moved by the Hon'ble Mr. Surendra Nath Banerji. I come from a province in which about 35 years ago the judicial and executive functions used to be discharged by the same officer, *viz.*, the District Officer assisted by his subordinates. In the year 1879, the separation of purely civil functions took place and the District Officer remained District Magistrate and chief executive officer of the district. The functions which are now combined in the same officer are criminal and executive charge of the district. District Magistrates, Sub-divisional Magistrates and other subordinate Magistrates, *viz.*, Deputy Collectors and Deputy Magistrates still exercise criminal powers and try criminal cases. With regard to the last class of officers, that is Deputy Collectors and Deputy Magistrates, separation of the two functions can be very easily made. Some of them may be set apart exclusively to try criminal and revenue cases. They should be relieved of executive duties. Then there remain officers of the next higher grade, *viz.*, Sub-divisional Officers. As regards them also, the separation of the two functions is not difficult. Lastly, comes the District Officer himself. As suggested by the Hon'ble mover of the Resolution the experiment may be tried in selected districts to relieve District Officers of their judicial functions and allow them to retain charge of executive matters only. The question of prestige need not be considered at all. We have the administrative head of the province, that is the Lieutenant-Governor or the Chief Commissioner who has no magisterial powers. The Member of the Board of Revenue and the Divisional Commissioners also have no magisterial powers. But are the people of the district or division or province

wanting in respect towards these officers because they have got no magisterial powers? I submit that this is a matter which need not come into consideration at all in deciding the question. Then, Sir, there is another advantage that will be gained by relieving the District Officer of his magisterial functions. He would have more time to devote to executive matters of his district. The executive work has now increased to such an enormous magnitude, that a District Officer hardly finds time to look after it properly. If he be relieved of judicial functions he will have more time at his disposal to devote to the proper discharge of his executive functions. It must also be considered that, if the District Officer has more time at his disposal, he will be able to mix more freely with, and see more frequently, the people of his district, and thus be in a position to receive more correct information regarding matters of public interest and gauge the real feelings of the people of this district. Therefore, Sir, for these additional reasons, I support the Resolution."

The Hon'ble Maharaja Ranajit Sinha of Nashipur:—"Sir, I beg to support the Resolution which has just now been moved by my Hon'ble friend on the right. The Resolution asks for, as an experimental measure, the separation of executive and judicial functions. Sir, from personal experience I can say that sometimes District Officers are a little inclined to trust the Police. If the Police sends up a case to a Magistrate and he discharges the accused, the Magistrate instead of calling for an explanation from the Police officer as to why he sent up such a bad case, would generally ask the Subordinate Magistrate to explain why the accused has been acquitted. So Sir, I think there should be a separation of judicial and executive functions, but at the same time, I am inclined to think that this may weaken the District administration to a certain extent and will also involve large expenditure. But I think there is no harm in making the experiment in the matter. This may be done in some of the districts in each province, and if the experiment be found successful, then it might be extended. With these few observations, I beg to support the Resolution which has just now been made."

The Hon'ble Rai Sita Nath Roy:—"Sir, I beg to associate myself with the sentiments expressed by my Hon'ble friend, and I beg to express my sympathy with the Resolution moved by him. I know that there has been no greater blessing, and no blessing has been so much appreciated and none has gone so far to make the people more attached to the British Government and more contented with it than the blessing of the pure administration of justice. I know very well that lately an experiment of the separation of the judicial and executive functions was tried in some of the eastern districts. Additional Magistrates were appointed in some of the districts, as, for instance, Dacca, Mymensingh, Barisal and other places, and their functions were strictly confined to the administration of justice, while the District Magistrate devoted his attention purely to district work. I do not know what became of that experiment and why it has not been extended. What we pray for is that the experiment tentatively begun should be extended to some selected areas. I quite agree that there are occasional miscarriages of justice, and it is in cases where the Magistrate becomes displeased whenever a Deputy Magistrate discharges an accused who has been sent up by the police. It is fear I know that makes Deputy Magistrates hesitate to discharge an accused who has been sent up by the police. Under all these circumstances, it is absolutely desirable that these two functions should be separated, and the experiment should be begun in some selected areas."

The Hon'ble Sir Reginald Craddock:—"Sir, this Resolution which has been moved by the Hon'ble Mr. Banerjee is purely financial in nature. It does not in its terms go into the merits of the controversy regarding the separation of judicial and executive functions. What it asks is, that this Council should recommend to the Governor General in Council that the grants made to Local Governments be increased by such allotments as the Government of India may think fit with a view to enable them to carry out the experiment of the separation of judicial and executive functions

in the administration of criminal justice in areas to be selected by them with the approval of the Government of India. This Resolution simply implies that the Government should accept a motion in favour of making allotments only as it think fit, and it is therefore extremely vague in character. There are no indications given of the extent of the experiment and of the cost of the expriment, nor of the place of the experiment. In these circumstances, it is impossible for the Government to accept a Resolution of this kind. Before money can be allotted for the furtherance of some scheme, it is necessary that some scheme should be devised, cut and dried and approved by the proper authorities, and that an experiment to carry out this scheme so approved and so devised should be determined upon. If there exists at present no definite scheme, it is impossible to decide to what extent an experiment to carry out that definite scheme should be tried.

"Further, the Resolution supposes that, in order to make any such experiment, it is necessary that the Imperial Government should make a grant to the Local Government. It does not at all follow that if such an experiment were to be tried on a small scale, any such grant as that recommended would be necessary. And thirdly, when such allotments are made as that proposed in this Resolution, it will prove necessary to divert the funds required for that allotment from some other purpose which stands included in the Budget. That purpose has not been indicated, and, until that purpose is indicated, it would be impossible to determine how far money intended for carrying out the plans and proposals of the Government which have already received approval ought to be deflected from that and devoted to carrying out, in the vague manner suggested in this Resolution, schemes which have not yet been formulated, and the experimental carrying out of which cannot yet be determined.

"I am obliged to treat this Resolution in its purely financial aspect, and the reason for this I can explain very briefly to the Council.

"When Sir Harvey Adamson made his speech which the Hon'ble Member has quoted, he also foreshadowed consultation with the Local Governments. In consequence of that consultation various difficulties of a practical nature were elicited, and correspondence upon them took place between the Local Governments and the Government of India, and between the Government of India and the Secretary of State. That discussion is still going on. It is not yet finished, and although Hon'ble Members might say that the Government have taken an unnecessarily long time over this matter, that cannot affect the motion that the Hon'ble Mr. Banerjee has moved. The point remains the same, that to ask the Government of India to allot an unknown sum of money to undetermined experiments for a scheme that has not yet been devised, would be a course which, I think, everyone here must admit to be unreasonable.

"In these circumstances, Sir, on behalf of Government, I am unable to accept this Resolution, and I put it to the Hon'ble Members of this Council that it is unreasonable to ask the Government to accept this Resolution, whatever may be their views on the merits of the question. The question, as I have stated in reply to questions in Council, is still under consideration with the Secretary of State, and until these questions under discussion have been decided and a definite conclusion has been formed upon them, any action in the nature of that suggested by the Hon'be Mr. Surendra Nath Banerjee would be wholly premature."

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, I am sure my friend the Hon'ble Mr. Surendra Nath Banerjee and other friends who have spoken in support of this Resolution will recognise and feel grateful for the attitude which the Hon'ble Member has taken up, which, as I understand it, is an attitude not against the Resolution, but in sympathy with it. The remarks of the Hon'ble Member mean, so far as I understand them, that the matter is under the consideration of Government, and the Secretary of State, and as no definite scheme has been put forward, it is best to wait until the matter has received further consideration, and then ask for an allotment for such a purpose. Ordinarily, Sir, that announcement on behalf of the

Government should satisfy the supporters of such a Resolution as is now before the Council ; but I beg leave to point out that, in the special circumstances of the case, in the matter of the special reform with which it deals, perhaps it would be justifiable to press the matter upon the consideration of the Government and to ask the Government to be pleased to allot, tentatively, a sum of money which, in the event of the Secretary of State and the Government of India coming to an understanding during the course of the year as to the manner in which the reform should be carried out, should be available for initiating the reform. The Hon'ble the Home Member has said that no definite scheme has been put forward. The Council will recognise the difficulty of any private member putting forward a cut and dried scheme for the consideration of the Government in a Resolution like this. If the Government are pleased to set apart a certain sum of money, however small it may be, that would be a proof of the earnestness of Government, of the earnest desire of Government to carry out the reform and to give effect to the scheme at an early date : and, on that allotment being made, the Government may be pleased to appoint a committee of some officials and some non-officials to discuss the scheme and to make recommendations to the Government ; or the Government, as a result of the correspondence that has been going on, may find itself in a position to adopt one of two or three schemes which, I presume, are under consideration, and give effect to them. It has been stated by the Hon'ble the Home Member that at present the extent of the experiment has not been estimated, nor its cost nor the locality where it should be tried. That is too true, but that, I submit, is the very reason why the Resolution should be acceptable to Government. The Resolution leaves the determination of the extent, of the cost and of the localities in which the experiment should be made, to the Government. All that we seek is to press this matter upon the attention of Government in order that a beginning should be made. My Hon'ble friend Babu Surendra Nath Banerjee has drawn attention to the fact that it is now over 125 years since this matter has been under the consideration of one or other of the officers of Government. It was in 1792, I believe, that the first Regulation was planned, and nothing that has been said subsequently could, I venture to say, equal in intensity and clearness the expression of opinion that was contained in that Resolution of 1792. From that time forward the matter has off and on been considered by various officials of Government. The highest placed officials of the Crown have expressed themselves unreservedly in favour of the principle of the separation of these two functions. The condemnation of the combination has been as unequivocal as has been the desire to see it put an end to. The last statement of Sir Harvey Adamson to which my friend referred, left no room for doubt in any one's mind that the Government had definitely decided to carry out the experiment. The Hon'ble the Home Member has been pleased to point out that there has been some correspondence since that time between the Local Governments and the Government of India, and between the Government of India and the Secretary of State, and that difficulties of a practical character have been pointed out which require further consideration. I am sure, Sir, when a vast scheme is to be introduced difficulties of a practical character must manifest themselves; but I submit that English statesmanship, that British-Indian statesmanship has surmounted difficulties of a far harder character, and many reforms have been initiated and carried out for the benefit of the people and the glory of the Government where the difficulties were of a very much harder character than any that can arise in a scheme like this. The only difficulty which can represent itself in a matter like this is the question of cost, and on that point my friend has shown that the cost is not a formidable one, certainly that it is not a forbidding one. That being so, I ask the Members of Government to consider the question in this light. Here is a reform, the beneficent character of which has been recognised by Government for over a hundred years, to which the Government, through its highest officials, has committed itself. The position taken up by the Government is one from which the Government cannot recede, and I have no doubt in my mind that it will not recede, that the two functions ought not to be confined in one officer. The whole question, so far

as practical politics are concerned, relating to the separation of judicial and executive functions, is one of time when the reform will be begun, when the experiment will be taken in hand. That being so, the Resolution, in asking that a certain sum should be set apart, only tries to bring that time when the experiment would be begun nearer than perhaps it might otherwise be."

"We all know that the Government has to consider numerous problems connected with the administration of the country; and it is no reflection upon the Government that the officers of Government should require a longer time to consider some of the questions which are presented to them than other questions. We all recognise it; but as the urgency of this reform has made itself manifest among the people, as there is a very keen desire among the non-official Indian public that this reform should be carried out, it is our duty to press it upon the attention of the Government in order that a beginning may be made. If an allotment is now made, that will ensure that matter will be considered during the course of the year, and that in some places at least an experiment will be made. Personally I do not see why there should be any such necessity of making the experiment in half a dozen places. The principle is an absolutely safe and sound one. The method of carrying it out does not admit of any complexity. Government have only to add a few Deputy Collectors or to appoint a few junior Magistrates to deal with judicial cases alone, and the question will be very near solution. The entire scheme might be too costly, but if a certain amount is allotted for the purpose to be spent in the course of the year, then there will be an assurance to the public mind that the matter will not be shelved for another twelve months, and that will give great satisfaction to a great body of the non-official public who are interested as keenly as the Government in upholding the purity of the administration of justice and in securing that great blessing to the people—a blessing which they value above most other blessings—that of being sure of feeling, in the most critical times, that the justice given to them will be untainted—entirely untainted by any consideration except the strict administration of justice. For these reasons I most earnestly urge upon the Government the desirability of reconsidering the decision which the Hon'ble the Home Member has announced; and if he is able to allot a certain sum, however small it may be, I hope the object of this Resolution may be gained".

"There is only one other remark of the Hon'ble the Home Member to which I will advert. The Hon'ble Member said it had not been indicated how this sum was to be spent. Now, Sir, I need not take up the time of the Council by reminding it that on many occasions sums are allotted for definite and distinct purposes, and at the end of the year it is found that these sums have not been spent. The Hon'ble Member for Education was pleased to say earlier in the day in regard to my province that the sums allotted to it had not been spent".

The Hon'ble Sir Reginald Craddock:—"May I have a word of explanation? I think the Hon'ble Pandit Malaviya misunderstood a remark of mine. I did not raise any objection to the request that an allotment might be made because it was not indicated how it was to be spent if the experiment could not be worked at any time. What I said was, that it had not been indicated from what source this sum could be diverted."

The Hon'ble Pandit Madan Mohan Malaviya.—"I thank the Hon'ble Member for his explanation, and would like to point out that the 15 lakhs of rupees which are unallotted to which my friend Mr. Fuzalbhoy Currimbhoy drew the attention of the Government this morning, and out of those 15 lakhs kept for Education and Sanitation, a small sum may be easily and usefully diverted to provide the money needed for this reform. I am sure I need not dilate upon the feasibility of the scheme any longer, because if the Council agrees that it is possible to initiate this scheme during the course of the year, no harm will have been done either to the finances of Government or to any other interest. The reform is a very urgent one, and the sooner it is adopted, the better will it be for the people of this country."

The Hon'ble Mr. Ghuznavi:—"Sir, I find that I can support the Hon'ble Mr. Banerjee with regard to the Resolution which he moves to-day. The question of the separation of the judicial from the executive functions is a very old one and has been discussed threadbare. Public opinion on this question is very much divided. The Decentralisation Commission, if I am not mistaken, in their Report advocated the separation of these two functions. But their recommendation so far has not been possible to give effect to owing to, I dare say, the question of finance. And, as on the present occasion, we have a good financial year and the Government coffers are full, it would be in my opinion a step in the right direction if an experiment of the kind advocated by my friend is made. So far as my part of the country is concerned I have a large number of friends among the district officials for whom I have the greatest regard. I have had the good fortune of being associated with them for a number of years, and have been able to see with my own eyes the amount of hard work which they have to do from the inspection of a pound to the writing of the Administration Report, not to say, of their primary duty of discharging the combined judicial and executive functions entrusted to them. For that consideration alone, if for no other, I agree with those who think that the two functions should be separated. For I am convinced that the work which a district head is called upon to do is far in excess of what an ordinary man can do and yet keep his temper sober. On these grounds, the time has come to make an experiment of the kind advocated. The experiment would at least have one good result, namely, it would be helpful in coming to a right decision whether the separation of the executive from the judicial in this country is feasible and whether it would be conducive to the best interest of the rulers and the ruled. With these few brief remarks I have much pleasure in supporting the Resolution.

"I am sorry I was not here to listen to the speech made by the Hon'ble the Home Member, and I do not know what line was taken by him. At the same time I am very thankful to the Government for shewing a certain amount of sympathy for this Resolution."

The Hon'ble Mr. Vijiaraghavachariar:—"Sir, I desire some information about what the Hon'ble the Home Member has said. I was not able to understand exactly what it is which he said is under the consideration of Government; whether it is the principle that is under consideration or whether the principle having been accepted, a workable scheme is under consideration and being devised. I beg to be furnished with this information."

The President (to the Hon'ble Sir Reginald Craddock):—"You will be able to answer the Hon'ble Member. I understand the Hon'ble Member is only asking a question."

The Hon'ble Sir Reginald Craddock:—"Perhaps I may be allowed to speak a little later on."

The Hon'ble Mr. Vijiaraghavachariar:—"Sir, whether or not I shall speak on the Resolution before us depends very much on the nature of the information that will be furnished to me. If it is the case, Sir, that the principle has been accepted and it is being considered how to carry it out, I don't wish to speak. But if the question of the principle itself is under consideration, I have a few words to say."

The Hon'ble Sir Reginald Craddock:—"Sir, the Hon'ble Member appears to be under some difficulty in understanding the position I would just like to make it clear that I have carefully abstained throughout from dealing with this matter except purely from the financial point of view. My contention—the contention I made on behalf of Government—is that it is unreasonable to expect Government to depart from all its customs in making allotments."

The President:—"I am very sorry to interrupt my Hon'ble Colleague, but I am afraid we are getting a little bit out of order. The Hon'ble Member asks a specific question. I am afraid you will be losing your

chance of speaking later if you speak on the merits of the case now. Answer or not, as you like, the specific question of the Hon'ble Member."

The Hon'ble Sir Reginald Craddock:—"Will the Hon'ble Member state again what he wants?"

The Hon'ble Mr. Vijiaragahavachariar:—"What I ask is, has the question reached the stage of finality as to the principle? My own belief is that Government have long ago accepted the principle. However, I wish to make it clear, and hence my question is simply this:—'Whether what is now under the consideration of Government is the question of the acceptance of the principle, or the principle having been accepted, how to devise a workable scheme.'

The Hon'ble Sir Reginald Craddock:—"I have no objection to giving an answer on that point. It is quite impossible to differentiate either the question of principle from the details or *vice versa*."

The Hon'ble Mr. Vijiaraghavachariar:—"In that case I shall say a few words on this important question. Sir, it requires very great abilities to prove scientifically and by argument what everybody knows to be true instinctively. In my youth I read a remark made by the author of a treatise on Geometry, and that remark was to this effect:—'It was left to Euclid scientifically to prove the truth of the proposition that two sides of a triangle are together greater than the third, a truth which even asses knew instinctively. He said that if an ass had to go to a pond to quench its thirst and there were two ways to it, one direct in a single straight line and the other round about along two straight lines, the ass was sure to take the single short way.' Sir, I would say that the Hon'ble Babu Surendra Nath Banerjee has performed to-day a great feat in conclusively proving a similar proposition. On the other hand, I have never troubled myself with the reasons for this accepted creed in every civilised country, namely that the executive and the judicial functions should be kept separate It is true that there have been some isolated opinions in this country to the contrary. But Government has nowhere ever said that the combination of its judicial and executive functions is necessary either for efficiency or in view to prestige. And what the meaning of the word prestige in this sense is, I do not know. Western nations often tell us that our Gods are Gods of fear and not of love. Perhaps one can only understand what this prestige means if one remembers this fact. The idea is in relation to fear and based on it. But it seems to me that greater prestige would attach itself to the position of executive officers if they would divest themselves of all judicial functions and leave them to Magistrates and Judges exclusively. Then there is far greater chance of really cordial relations being established between the people and the rulers. Then is the chance of more and greater truths being obtained by the District Officers divesting themselves of all show of fear. It is absurd for the District Officers to endeavour to get at the truth and the whole truth if they are to get it from people who are always afraid of them. To be at once Magistrate and Chief of the Police in the District, to be at once Judge and the Chief Executive Officer, does not make for the efficiency of the officer and the prestige of Government or the well-being of the people. I have never been able to reconcile myself to this extraordinary aspect of the question, that the association of the two functions is necessary in the interests of the prestige of Government. I believe that if marriages are made in heaven, so also is this separation between the judicial and executive functions ordained in heaven, and we must accept it as a divine principle and give full effect to it for better and for worse. I am not for making experiments piecemeal. I am for accepting the principle and acting on it fully throughout the country at once and for ever. The separation when applied to the question before us is one word no doubt, but as a practicable principle it implies a lot of things. It involves not only a complete severance of the whole agency from executive functions, but also questions as to special qualifications, mode of recruitment, promotion, as well as the kind of machinery for their supervision.

"The question of the separation of the judicial from the executive functions is incidentally now before the Royal Commission. It is true it is not part of the reference to the Commission, but I believe it arose incidentally in determining questions as to recruitment and qualifications, etc., of the services. I had the honour of being invited to be a witness before the Commission, and I then stated my views fully in writing. I do not think it necessary to reproduce them now. I think it is an absolute impossibility for one man to combine in himself these two functions efficiently. In the interest of everybody it is essentially necessary to separate the two at once. There is an intense and growing feeling in the country that the sooner that this heaven-born truth is given effect to, the better it will be for the Government and the people As to the question of a workable scheme, I would suggest that Government should appoint a Committee for the purpose. I have equal faith in Committees appointed by the Government of India as in Royal Commissions. I once had very great faith in Royal Commissions, but I have now become a convert to commissions appointed by the Indian Government as well. These would be certainly much less expensive than Royal Commissions. The system of combined judicial and executive service we have now, was not invented by the Government. It is a survival of the growth of institutions that arose under the sovereign company of merchants. It arose incidentally and gradually, and the proper course now is, it seems to me, to appoint a Committee in India to overhaul the whole system and, in view to find ways and means, to see what expenditure can be curtailed and reduced here and there and what additional taxation, if any, is necessary for the purpose. This could all be easily investigated by a small Indian Commission. On this Commission may sit representatives of all shades of opinions. I do not object to representation of even hostile opinions, for instance, by persons like the Hon'ble Mr. Madge who, it appears, from his speech here three years ago is an apostle of prestige. After he finishes his labours on the Public Services Commission, he may be invited to sit on the Indian Commission and the whole matter may be investigated and a workable scheme arrived at; then Hon'ble Members of this and Local Councils and the country at large may scrutinise the scheme before it is finally accepted by Government. As I said before, I am against experiments and partial experiments, but as my Hon'ble friend asks for such partial and isolated experiments, I shall vote for his Resolution on the principle that half a loaf is better than no bread."

The Hon'ble Sir Ibrahim Rahimtoola :—"Sir, I agree with my Hon'ble friend Mr. Malaviya in regarding it to be a gratifying feature of the debate that the Hon'ble the Home Member has not taken up a hostile attitude in connection with this question. Were it not for the answer which he gave to the question which my Hon'ble friend Mr. Vijiaraghavachariar put to him, I would not have risen to address the Council. The Hon'ble Sir Reginald said in reply that the question of principle of the separation of judicial and executive functions was under consideration and formed the subject of correspondence with the Secretary of State along with the details. Under the circumstances I think we are entitled to ask how long will this consideration last? The subject, as the Council is fully aware, is not a new one. It has been both before the public and the Government for many years, with the result that there is a general consensus of opinion in its favour. As the Hon'ble Mr. Banerjee pointed out many high officials of Government have also recognised the soundness of the principle that these two functions should be separated. If I remember rightly the only point that has been raised against the immediate application of it has been one of cost, and that has now been so for many years. May I venture to enquire how long it will take to provide funds to give effect to an admittedly useful reform? The Hon'ble the Home Member says that the Resolution puts forward no scheme before us and the amount that is required is not stated, and he argues that a vague demand for provision in the Budget is manifestly unreasonable. We may for argument's sake agree with that view. But may I inquire what other course is open to the non-official members if they wish to press and press with all the force at their command the desirability of getting the Government to come to a definite decision in regard to this matter within a reasonable time? It appears to me, Mr. President, that

the only course open to the non-officials who feel strongly on the subject is the one adopted by the Hon'ble Mr. Banerjee. If the explanation had been that the Government of India are as equally anxious to introduce this principle, and that all they are waiting for is the preparation of a workable scheme and its application within a reasonab'e time, I would have gladly appealed to the Hon'ble Mr. Banerjee not to press his Resolution to a division. As far as I have been able to follow the official explanation, it merely means that we are still to wait for years before anything tangible or definite may come out of a question of urgent reform in regard to which both official and non-official opinion is largely on one side. Under these circumstances, I think the Hon'ble Mr. Banerjee will be well advised to press for a division for this reason if for no other, *viz.*, to convince those people who may still have the smallest doubt on the point that non-official opinion in regard to this question is solid and unanimous."

The Hon'ble Mr. Madhu Sudan Das :—" Sir, it is perhaps absolutely too late at the present stage of this question to bring out facts and figures or the personal experience of any person in support of the desirability of this proposition. It has been before the public for over a century and, wherever one likes to go, he hears the cry for the separation of the judicial and executive functions surging round him. The Hon'ble Mr. Banerji in his speech has given several extracts from the opinions of Official Members of this Council and from gentlemen of great judicial experience who had been in positions such as Judges of the High Court—who had been in positions to form valuable opinion as to whether the combination of these two functions has worked satisfactorily or unsatisfactorily. There has been, Sir, enough material before the Government to come to a decision. If these opinions are not sufficient to induce the Government to accept the desirability or the popular desire for having a separation, it will be far better for Government to say ' No we do not consider this sufficient.' If this mass of evidence is not sufficient to enable Government to come to a definite conclusion, Government would be justified to take such measures, with the knowledge of the public, as they consider necessary to come to a definite conclusion on the subject. But from the answer that has been given by the Hon'ble the Home Member, I am perfectly unable to understand the present position of Government. First of all his reply was that he wanted to meet the question from a technical point of view as simply a financial question ; that there was no scheme, cut and dry, before him, that there was nothing to show how much money was to be allotted, consequently he was not in a position to accept the Resolution. An answer of that character would lead one to think that what Government was waiting for was a definite scheme; that the principle had been accepted by Government and it was only for want of definite figures and a definitely formulated scheme, that Government could not accept this Resolution. But when the Hon'ble the Home Member replied to the question put by the Hon'ble Mr. Vijiaragavachariar he said the question of principle and the question of the details to be carried out were so mixed up, that it was impossible to give a reply. That means the principle has not been accepted yet. It may, perhaps be due to a particular lack of intelligence in me, but I cannot understand, Sir, how it is difficult to dissociate the principle from the scheme. The only possible way in which the difficulty could arise would be from the fact that the scheme having been accepted there are not funds enough at the disposal of Government to carry out that scheme. Then the question assumes this form. If a principle has been accepted by Government, Government is bound to find funds for carrying out the scheme ; or if the funds necessary for carrying out the scheme are so exorbitantly high that it is beyond the power of the Government of India to carry out that scheme, then the public ought to be satisfied by a definite answer to that effect :—' that here is the sum required for carrying out the scheme and it is beyond the power of the Government of India to carry it out.' Then, if necessary, fresh taxation might be made. There has been such a cry for this throughout the country, that I should not be surprised, if the Government of

India were in need of fresh taxation, the people would be willing to pay a new tax for carrying this out.

"But the position of the Government of India has not been definitely explained. Certainly, Sir, after these clear enunciations and announcements of the opinions of men and officials in very high and responsible positions, and this continuous cry of the people for this separation extending over such a long period, the public have at least a right to know the exact position of the Government with regard to this question. I have been very much disappointed, and I am sure my disappointment has been shared by most of the non-official members, that the reply from the Hon'ble the Home Member, considering the gravity of this important question and the period for which it has been before the public, has not been as definite and as satisfactory as it ought to be.

"If the Government of India really are not prepared to accept the principle, the people should be informed that they are not so prepared, and allow the people to take such action as they may be best advised to take under the circumstances."

The Hon'ble Meherban Sardar Khan Bahadur Jahangirji Vakil:—"Sir, unlike some of those Hon'ble friends of mine who have preceded me, I am only going to take two minutes. I am not aware of any instance of miscarriage of justice by the present state of things, that is, the combination of executive and judicial functions in one and the same person. However, I am inclined to believe that the separation of the two functions would be a distinct improvement on the present state of things.

"My Hon'ble friend Mr. Vijiaraghavachariar advocated the appointment of a Committee by the Government of India to inquire into the question and gather opinions from public bodies; but I suppose he does that on the assumption that the Government of India approves of the principle of the separation of these two functions. For this reason, I believe we ought to be first informed by the Government of India whether they have decided to accept the principle of the separation of the two functions. It was my misfortune to miss the speech of the Hon'ble the Home Member, and I am not therefore in a position to understand the exact position the Government of India have taken up; but whatever it may be, I think that, if we are expected to wait only because a practical scheme to work the reform is not ready, and if we are assured by the Government of some certain time-limit, that is, if they are going to give us some exact and definite time within which they would be able to give us the exact decision of the Government, then I say that we can afford to wait and I do not see any harm in waiting. But if nothing of that sort is going to come from the Government, then I suppose it is much better to see the Resolution put by my friend the Hon'ble Mr. Banerjee passed to-day. I again say that, if we are assured by the Government that, by waiting a little, the scheme to which they referred will be ready and put into operation wholesale, then I suppose that there is no harm at all in voting against the Resolution that has been moved by my Hon'ble friend. Otherwise I request the Members of the Council to vote for the Resolution, because we do not lose anything at all. The Resolution simply proposes to enable the Local Governments to carry out the experiment—only the experiment—of the separation of judicial and executive functions in the administration of criminal justice in areas to be selected by them with the approval of the Government of India. They may select only a very small area, only one small district, and I suppose Government does not lose anything in carrying out that experiment. I suppose the question of cost will not be a very great one."

The Hon'ble Mr. V. Pandit:—"Sir, I rise to accord my support to the very modest Resolution moved by the Hon'ble Mr. Banerji. In spite of the objection to the Resolution which has been taken by the Hon'ble Home Member, I consider that it has been very considerately worded, for this reason that the Hon'ble mover of the Resolution has not asked for the introduc ion of this experiment in any particular area, but has left to Government the option of selecting the area which, from every point of view, they might consider best for a trial of the experiment.

"The Resolution really wishes the Government to give an earnest of the fulfilment of the promise which was made by Sir Harvey Adamson on behalf of the Government of India in this Council; and although the Resolution does not give all the details which would be required for working out a scheme, surely, as pointed out by the Hon'ble Pundit Madan Mohan Malaviya, the Government can show its active sympathy with the principle, or at any rate, with the proposal to try as an experiment whether the separation of executive and judicial functions will not be in the best interests of the country.

"The question of this reform, as other Hon'ble Members have told the Council, has been before the country for a very long time, and it is unnecessary to discuss the merits over and over again.

"There is no doubt that the objection on the score of prestige had been raised in bygone times, and mention was made of it in one of the speeches to-day, but prestige is a dead horse and it is no use flogging the horse any longer. In its best acceptation prestige has, as I understand it, been taken to mean this: If a District Officer appeared as a helpless person who, in spite of seeing any wrong or injustice perpetrated in his own presence, or proved to his satisfaction, came and told the people that he was unable to do anything, but that the persons aggrieved must go to some particular Court, that would lower that District Officer in the estimation of the people, and it would not conduce to the best administration of his charge. That is the highest interpretation which, as I understand it, has been given of prestige. And even from that point of view, the District Officer of to-day is no longer the District Officer as he was 30 or 40 years ago. We knew of District Officers who had in themselves combined all the powers of the administration so far as their districts were concerned. The District Officer was the head of the civil judiciary in the district; he was the head, as he is even now, of the magistracy; he was, as he is now, the head of the police, and he had large powers in respect of the District Board and the Municipality and all institutions combined in him, in the work whereof he was the active participator, the organising head of the district, who moved everything and carried out everything practically himself. We find that the District Officer has no longer anything to do with Civil work. The District Officer also, in heavier districts, practically does no criminal work himself, and even functions such as those conferred by section 30 of the Criminal Procedure Code are exercised by other Magistrates than the District Magistrate. Therefore, if whatever little power in connection with judicial administration may be left to the District Magistrate are taken away, it will not in any way cause any serious loss of the prestige which he possesses to-day. Moreover, the principle of this reform is not that injustice is done which ought to be avoided, but that there ought not to be the slightest chance of anyone conceiving on account of the union of the functions that injustice has been done although in fact, the fullest measure of justice has been meted out. It is the confidence in the administration of justice in the minds of the people which ought to be secured, and this is the principle at stake in the reform which has been advocated.

"I also think that the trial of this reform might enable us to see whether the police could also be made more efficient by this means. It seems to me, Sir, that the police, having been or being in constant touch with the head of the district and also with the magistracy, sometimes feel that if in their minds they have created a sufficiently strong suspicion, or according to their own view, created a moral conviction that a particular person has committed a crime, it is no part of their duty to exert and bring all the legal evidence that would be necessary to prove a conviction in a Court of law. And I speak not only from the point of the view of the accused persons, but also from the point of view of the prosecution that this not unoften has the effect of causing a failure of justice. The High Courts and various other Courts have, for example, from time to time remarked that the police, in investigating cases, seem to regard the confession of the accused, instead of the checking point of the investigation, as the goal they have to attain: and after they have obtained that confession, they do not proceed further and try to connect the links in the chain, and fully bring home the charge to the accused.

"Sir, the District Officer, as everyone knows, has now-a-days a very heavy burden thrown upon him. The complexity of the administration and the requisite development of various branches of the administration throw upon him so much work, that it is really not possible for him to devote his attention sufficiently to all those various branches of work as he would be able to do if certain of his duties were taken off, and he were left free to devote his attention more to the development of the district with which he is entrusted. From all these points of view, I think that, so far as the principle is concerned, it will not be denied that there is a great deal to hope for, and as this Resolution merely asks for a trial by way of an experiment, I submit that nothing will be lost by trying this experiment on the modest scale which is proposed. I therefore support this Resolution."

The Hon'ble Mr. Fuzulbhoy Currimbhoy Ebrahim:—"Sir, up to now I was under the impression that Government had accepted the principle of the separation of judicial and executive functions. As the Hon'ble mover of the Resolution has told us, many big officials in authority have pronounced in its favour, and the people of the country have been under the impression that the Government had already accepted the principle. But now I find that the Hon'ble the Home Member has not spoken one way or the other, and he hesitates to announce that the Government is in favour of the principle. I hope the Government will soon decide and will accept the principle. They know the opinion of the public. Without any exception the general opinion of the public is in favour of the separation.

"In regard to the expenditure, I must say that for Bombay, Madras, the United Provinces and some other Provinces, Government will take some time to formulate separate schemes, but I think Bengal is a province where they have got a Permanent Settlement and where it will be very easy to try the experiment. Taking this view, Sir, I support the Resolution."

The Hon'ble Mr. Wheeler:—"It is perhaps inevitable, Sir, that a certain air of unreality has crept into this debate owing to the fact that the Hon'ble Members who have spoken, and the Hon'ble Sir Reginald Craddock who spoke on behalf of Government, have not, perhaps, been looking at the subject on identical lines. The Resolution of the Hon'ble Mr. Banerjee has raised the merits of a long and interesting controversy in the history of Indian administration, and we have had a view put which, as is well known, is held by a certain section of the people in this country. Assuming the merits of the question be established, one point of view which we have heard to-day is—let us make a small entry in the Budget, because it is so small that it will not matter. On the other hand, another Hon'ble Member is whole-heartedly in favour of the wholesale and immediate marriage of the Judicial and Executive branches, oblivious of the fact that a hasty marriage may possibly lead to domestic disturbances hereafter, though in this view he apparently desires a more ambitious provision. To-day's discussion has opened up vistas and has raised points which have engaged attention for many years past. It is possible to pursue such a discussion with interest, and possibly with benefit, but that is not the question which at the moment is before the Council, and that is not the standpoint from which Sir Reginald Craddock invited the Council to consider this matter. We are at present dealing with the Financial Statement, and the question before us is purely a matter of financial provision. The intention of Resolutions moved at this stage is that in the place of the proposals for the expenditure of the public funds which may have been inserted in the Budget, other preferable objects should be substituted. But one essential condition for a financial provision, as having been once connected with that not always popular Department, the Finance Department, I have occasion to know, is that at the time the Budget is prepared a definite scheme, or at any rate a scheme of which a reasonably approximate estimate can be framed, can be laid before the Finance Department by the administrative Department concerned. The Hon'ble Sir Reginald Craddock has explained to the Council that fortunately or unfortunately,

rightly or wrongly, this project is not at present in that position. The Hon'ble Member moving the Resolution naturally started its modern history from the statement of the Hon'ble Sir Harvey Adamson in this Council. Since that date, however, there have been discussions with Local Governments and correspondence with the Secretary of State. Those discussions are still proceeding, and it is not possible now to make any statement as to the results of them. The Hon'ble Mr. Vijiaraghavachariar asks us to say whether this correspondence dealt with questions of detail or principle, and the reply can only be, as made by the Hon'ble Sir Reginald Craddock, that matters of principle and detail are so intertwined that it is impossible to distinguish between them for the present purpose. If then, Sir, there is no scheme of the kind at present ready which would satisfy the Budget requirements, according to the ordinary administrative procedure, the motion to insert in the Budget, either a small provision or a large one, necessarily fails, and without any pronouncement on the merits of this question which has been argued in so many quarters to-day, that, I take it, is the standpoint of Government with reference to this Resolution."

The Hon'ble Babu Surendra Nath Banerjee:—"Sir, I desire to associate myself with the Hon'ble Pandit Madan Mohan Malaviya in appealing to the Government to reconsider its position. I think the Government have now some idea, as the result of the discussion which has taken place in this Council, of the intensity of public feeling which exists with regard to this matter. Indian Members of this Council who may differ in other matters are altogether of one mind in presenting an united front, and pressing for the acceptance of the Resolution which I have had the honour to move. And, Sir, this feeling which has been reflected here in this Council to-day, is the feeling of the country only expressed with perhaps less moderation, and less self-restraint. I earnestly beg of the Government to take note of this feeling, for, since the visit of His Majesty to this country, the policy of the Government has been a policy of conciliation and a policy to walk in the light of public opinion. Sir, exception has been taken to this Resolution on the ground that no scheme has been formulated by me. Is it my business to formulate a scheme? I claim, Sir, as a Member of this Council, as representing the non-official members, that it is our business to recommend principles to this Council for its acceptance, and for the Executive Government to work out the details. It is not our business to formulate schemes. It is our business to lay down principles and to suggest the outlines of schemes which may or may not be acceptable to the Executive Government. And then, Sir, when you talk of formulating a scheme, the scheme that will do for Bengal will not do for Madras: the scheme that will do for Madras will not do for Bombay. The conditions and the circumstances of the different provinces differ so widely: and if I were to undertake to formulate a scheme that would be applicable to Bengal, my friends round this table may not accept it.

"If therefore a scheme has to be formulated, it has to be formulated by the Executive Government, and not indeed by the Executive Government sitting at Delhi, but by the various Provincial Governments subject to the supervision and control of the Government of India. Sir, I have no doubt as to what the ultimate issue of this contention will be. I am perfectly certain that British sense of justice and fair play will eventually triumph, and that, if not now, in the near future, the Resolution and its underlying principle will be accepted. But is it wise, I ask, to prolong the day of contention, the day of controversy, the day of disappointment? I cannot help thinking that the statement of the Hon'ble the Home Member, which has been repeated by the Hon'ble the Home Secretary, will create a sense of profound dissatisfaction throughout the length and breadth of the country. If there is one question more than another which is at the present moment exercising the minds of my country men and which will (before long) become the burning topic of the day, it is the question of the separation of judicial and executive functions, and it is the clear duty of the Government to take note of the rising tide of public opinion and to formulate administrative measures that will bridge the gulf between the administration and the people. Once again, most earnestly

do I appeal to the Home Member to reconsider his decision and to give us the assurance that within a definite time a practical scheme will be laid before the Council, and that this experiment will be put upon its trial."

The Council divided a follows:—

Ayes—25.

The Hon'ble Mr. Ghuznavi; the Hon'ble Maharaja Manindra Chandra Nandi; the Hon'ble Raja of Mahmudabad; the Hon'ble Raja Kushalpal Sing; the Hon'ble Rai Sri Ram Bahadur; the Hon'ble Pandit Madan Mohan Malaviya; the Hon'ble Nawab Saiyid Muhammad; the Hon'ble Mr. C. Vijiaraghavachariar; the Hon'ble Mr. Panaganti Rama Rayaningar; the Hon'ble Khan Bahadur Mir Asad Ali Khan; the Hon'ble Sir Ibrahim Rahimtoola; the Hon'ble Khan Bahadur Rustomji Jehangirji; the Hon'ble Mr. Fuzulbhoy Currimbhoy Ebrahim; the Hon'ble Babu Surendra Nath Banerji; the Hon'ble Ranajit Sinha; the Hon'ble Raja Saiyid Abu Jafar; the Hon'ble Mr. Madhu Sudan Das; the Hon'ble Maharaj-Kumar of Tikari; the Hon'ble Mr. Qumrul Huda; the Hon'ble Rai Sita Nath Roy; the Hon'ble Malik Umar Hayat Khan; the Hon'ble Raja Jai Chand; the Hon'ble Mr. V. R. Pandit; the Hon'ble Sir G. M. Chitnavis; the Hon'ble Mr. Srijut Ghanasyam Barua.

Noes.—37.

The Hon'ble Sir Guy Fleetwood Wilson; the Hon'ble Sir Robert Carlyle; the Hon'ble Sir Harcourt Butler; the Hon'ble Mr. Syed Ali Imam; the Hon'ble Mr. Clark; the Hon'ble Sir Reginald Craddock; the Hon'ble Mr. Hailey; the Hon'ble Sir T. R. Wynne; the Hon'ble Mr. Monteath; the Hon'ble Mr. Saunders; the Hon'ble Sir A. H. McMahon; the Hon'ble Mr. Wheeler; the Hon'ble Mr. Enthoven; the Hon'ble Mr. Sharp; the Hon'ble Mr. Porter; the Hon'ble Sir E. D. Maclagan; the Hon'ble Mr. Gillan; the Hon'ble Major-General Birdwood; the Hon'ble Mr. Michael; the Hon'ble Surgeon-General Sir C. P. Lukis; the Hon'ble Mr. Gordon; the Hon'ble Mr. Maxwell; the Hon'ble Major Robertson; the Hon'ble Mr. Kenrick; the Hon'ble Mr. Kesteven; the Hon'ble Mr. Kinney; the Hon'ble Sir William Vincent; the Hon'ble Mr. Carr; the Hon'ble Sir C. Armstrong; the Hon'ble Mr. Macpherson; the Hon'ble Mr. Maude; the Hon'ble Mr. Arthur; the Hon'ble Major Brooke Blakeway; the Hon'ble Mr. Meredith; the Hon'ble Mr. Walker; the Hon'ble Mr. Arbuthnott; the Hon'ble Mr. Eales.

So the Resolution was rejected.

FINANCIAL STATEMENT.

SECOND STAGE.

The Hon'ble Mr. Gillan:—"On behalf of the Hon'ble the Finance Member, I beg to open the second stage of the discussion on and to introduce the following heads of the Financial Statement for 1913-14:—

REVENUE.	EXPENDITURE.
II.—Opium.	1. Refunds.
XII.—Interest.	4. Opium.
XV.—Mint.	6. Stamps.
XXII.—Receipts in aid of superannuation.	10. Assessed Taxes.
XXIV.—Exchange.	14. Interest on obligations other than the Public Debt.
XXV.—Miscellaneous.	17. Mint.
	28. Civil Furlough and Absentee Allowances.
	29. Superannuation Allowances and Pensions.
	31. Exchange.
	32. Miscellaneous.
	36. Reduction or Avoidance of Debt.

"I do not think it is the intention of the Hon'ble the Finance Member to add anything to what was said in the Financial Statement or explanatory memorandum."

The Hon'ble Sir Robert Carlyle:—"I rise, Sir, to introduce the following heads of the Financial Statement or 1913-14:—

REVENUE.	EXPENDITURE.
I.—Land Revenue.	3. Land Revenue.
VI.—Provincial Rates.	8. Provincial Rates.
IX.—Forest.	11. Forest.
XXI.—Scientific and other Minor Departments.	26. Scientific and other Minor Departments.
	33. Famine Relief.
XXIX.—, XXX.— } Irrigation.	35 & 42 A } Protective Works:—Irrigation.
XXXI.—Civil Works.	42 & 43 } Irrigation.
	45. Civil Works.
	49. Capital outlay on Irrigation.

"I will take first the heads dealt with by the Revenue Department.

"The distribution of the special grant of 10 lakhs for agricultural and allied purposes is explained in paragraph 24 of the Financial Statement.

"I have nothing to add to the Financial Statement regarding Land Revenue and Provincial Rates.

"While our forests are essential to the well-being of India from other aspects, they are also of very great importance from the revenue point of view. It will probably be generations before we can get from our forests anything approaching the results obtained in some countries of Europe. Yet even now our net revenue is not inconsiderable, though it is a trifle to what we may reasonably expect when forest industries develop on a considerable scale. I foresee a great advance in the near future. I spoke last year of experiments made by a private firm in connection with the preparation of wood pulp from bamboos. These experiments appear to have been successful, and several concessions have already been given, while others are now under consideration, with a view to manufacturing paper pulp from trees, grass and bamboos. Though a beginning only has been made, it is a very promising beginning in the direction of utilising what are now over thousands of square miles practically waste products. One of the most important functions of the Forest Research Institute is to examine into the possibility of increasing the wealth of the country by the commercial

exploitation of our forest products. I would, in this connection, draw attention to a Commercial Guide to the Forest Economic Products of India recently issued by the Research Institute, and I can assure all desirous to investigate and utilize the resources of our forests that they will receive the co-operation of the Provincial Governments and of the Research Institute at Dehra Dun. Improved laboratories and apparatus are required to increase the efficiency of the Research Institute, also an increase of accommodation. For this purpose we have provided Rs. 30,000. We are also making small grants to aid two of the provinces, namely, Burma and Assam, where development is most urgent.

"Another very important line of development is to improve our methods of extracting forest produce, and a proposal is now before Government to appoint a Forest Engineer to enable us among other things to introduce more largely mechanical means of extraction. I am sure that once we seriously set ourselves to reduce the cost of extraction of forest products, the work will very rapidly expand, and in a few years the results on our revenue will be very marked.

"Under the head 'scientific and other minor Departments' I will deal with—

The Survey of India,
Meteorological Survey,
Bacteriology and Agriculture.

"So far as the Survey Department is concerned, the main point to notice is that with the sanction of the Secretary of State the pay and prospects of the Provincial Service have been greatly improved. Extra expenditure this year under the head of Provincial Survey was ₹78,000 and in 1913-14 it will be ₹80,000.

"The increase in the estimate under the head 'Meteorological Survey' for 1913-14 is due to our having decided to spend during the next ten years some three lakhs on inquiries into the conditions of the upper air, as knowledge of these conditions may enable us to form much more accurate forecasts than is now possible, and special arrangements will be inaugurated at Agra and elsewhere before the next rains to carry out this investigation. We have also under consideration the possibility of improving our arrangements for storm warnings in the Indian Ocean, and we have set aside ₹40,000 from our special grant of 10 lakhs for these and some other minor objects connected with the Department.

"Under the head of 'Bacteriology' I have to deal with the expenditure on bacteriological work carried out at the Government Laboratory at Muktesar and of the branch laboratory at Bareilly in the United Provinces. The laboratories now provide anti-rinderpest serum not only for India but also for other countries in the East, and we have during the year received a specially large order for the supply of serum to the Egyptian Government. Owing to the researches of the Officer in charge, Major Holmes, new methods of preparation have been discovered, which have enabled us to make considerable economies and to avoid the risk of a breakdown to which we were some years ago exposed. We hope to spend a substantial part of our special grant in providing increased accommodation at the branch laboratory at Bareilly, and in strengthening the staff at Muktesar.

"An increase of 3 lakhs, as compared with last year's budget, shown under the head 'Agriculture' in the Budget for 1913-14 is mainly due to that portion of the special grant which has not been distributed to Provincial Governments and includes the special provision which we are making for Bacteriology. So far as Agriculture proper is concerned, we propose to spend some ₹60,000 of this grant in connection with the Agriculture Institute at Pusa. At Pusa our officers continue to do excellent work for the country, and I would invite such members as are interested in the agricultural progress of India to peruse the report issued recently of the work done at Pusa during the last year. I would specially draw attention to the work which is now being done in the

selection and cultivation of Indian wheats and in the examination of insect pests. We intend to expand and to improve the work done at Pusa by devoting part of our grant, among other matters, to the purchase of steam cultivating machinery, the development of fruit work, the testing of milling and baking qualities of wheats, bacteriological investigation into rice cultivation, the demonstration of improved methods of saltpetre refining, and the establishment of a dairy farm. We have distributed R4,85,000 of our special grant to Local Governments. We have not tied their hands, but we have indicated to them our desire that the grants should, as far as possible, be utilised for certain specific objects, such as the establishment of sugarcane farms, the extension and improvement of sugar and cotton cultivation, the boring of tube wells and the improvement of sericulture and fisheries. We hope too that the Local Governments may be able to utilize part of the general grant of one crore which has been made to them, on the development of agricultural resources.

"Famine relief is at present confined to the district of Ahmednagar and its neighbourhood in the Bombay Deccan and to the tracts round Mirzapore and Benares in the United Provinces, but the recent rain has done much good in the United Provinces. In Bombay the distress is at present almost entirely confined to classes incapable of earning wages. Test relief works were opened, but had to be closed as they did not attract labour, and gratuitous relief alone is being given. A serious feature of the situation is the want of water and fodder for cattle, and measures have been taken to cope with the situation in both respects. Among other measures, the rates for the transport of fodder by rail to the districts affected have been largely reduced. In the United Provinces the distress has been met mainly by relief on test works, but these have largely been supplemented by a considerable expansion of ordinary public works.

"The financial results for the current year of Major Irrigation Works are very satisfactory. The net profit after paying all charges inclusive of interest will be over 269 lakhs of rupees. This constitutes a record, the previous highest return being 228 lakhs in 1911-12. We anticipate for 1913-14 a slightly reduced net revenue but still higher than the previous record.

"The annual expenditure on new productive and protective works taken together continues to increase. The total provision in the Revised and Budget Estimates is 289 lakhs for the current year and 310 lakhs for the ensuing year. This is well in advance of the annual outlay of 220 lakhs contemplated by the Irrigation Commission. The Irrigation Commission submitted its report in 1903-04. It was not till 1908-09 that we were able to work up to anything near the annual expenditure of R2,20,00,000 proposed by them. Since then we have never gone back and during the last two years the expenditure in excess of the standard they suggested has been very considerable, and we will, I hope for many years to come, never go back to it. So far as productive works are concerned, I am glad to say that for several years in succession we have exceeded the original budget provision. This has not been the case with protective works. The estimated expenditure on protective works is 64 lakhs for the current year, and 90 lakhs for the next year. I regret that the original budget provision of 75 lakhs for protective works was not worked up to. There has again been some difficulty in working up to the programme in some provinces; but I am glad to say there is every prospect of a higher standard of expenditure being established in the near future. It is hoped that the contracts for the Nira Right Bank Canal in Bombay will be placed shortly and that construction will be pushed on rapidly. The expenditure on this canal in 1913-14 is expected to be about 28 lakhs, and the work will probably require an annual grant of some 25 lakhs for the next nine years to come. The Tendula Canal in the Central Provinces is in full progress, and will require ten lakhs or more of our annual grant during the next decade. The estimates for the Gokak Canal in Bombay, another large protective work, will, it is hoped, shortly be submitted for the sanction of the Secretary of State, and its programme provides for an annual expenditure of 15 lakhs for twelve years or more. These three large works are calculated to absorb about one-half of our annual protective works grant for several years to come and their prosecution will, I

hope, enable us soon to utilise the full maximum annual grant of 100 lakhs which the Secretary of State has sanctioned. But it is not only by the construction of new works that we are increasing the area protected by irrigation. The area protected by existing works is being steadily and largely extended by improvements in the works themselves, by better methods of distribution, by reduction in the supply to areas which receive at present more water than is actually required to bring the crops to maturity and by measures for preventing loss of water by percolation from government channels. There is no doubt that in many cases more water than is required for their crops is used by the cultivators, and I hope it may shortly be possible to appoint an Agricultural officer working in close touch with the Public Works Department to inquire into the best means of ascertaining and bringing to the notice of the cultivators the amount of water which can be most effectively utilised. Nothing would more tend to check the excessive use of water for irrigation purposes than the introduction of a system of selling water by volume; and we trust that the modules which are now being introduced on certain works will in time lead to the introduction of such a system.

"As regards Civil Works the grant provided next year is 102·32 lakhs (excluding 1 lakh for Archæological works) against the grant for the current year, of 86·57 lakhs. Of the sum provided in 1913-14, 45·43 lakhs represents the amount it is proposed to spend on Original Works chiefly to meet the requirements of Posts, Telegraphs, Customs and the Currency Department. Under Telegraphs there is a provision of R3·32 lakhs for Radio stations at Bangalore, Secunderabad, Madras, Peshawar, Quetta, Burma and Port Blair. As I pointed out last year, so far as the Original Works are concerned, the Public Works Department is practically in the position of an agent for other Departments, and the number and size of buildings to be put up must depend mainly on the demand of other Departments. The provision for repairs amounts to 18·75 lakhs which is ·75 lakhs more than that allowed last year. The cost of repairs must necessarily increase *pari passu* with the maintenance of a larger number of civil buildings, roads, etc."

The Hon'ble Sir Harcourt Butler:—"Sir, I beg to introduce the following heads of the Financial Statement: Revenue—'Education,' No. XIX and the sub-head 'Sanitation,' under 'Medical,' No XX of the Budget heads and the same heads under Expenditure. I think it will be for the convenience of the Council, as my statements consist largely of a table statement of financial figures, if I lay them on the table. I lay on the table a statement of the educational grants and an educational summary with statistics showing educational progress during the year, which will be published in the next Gazette; also a statement showing in detail the sanitary grants and the objects for which they are given. I will now ask the Hon'ble Surgeon-General Sir Pardey Lukis to make a statement as to what is being done in the important department of research."

The Hon'ble Surgeon-General Sir Pardey Lukis:—"Sir, as requested by the Hon'ble Member in charge of the Education Department, I rise to submit to Council a statement as regards both research work which has been carried out during the past year and the various inquiries which are either in progress or about to be undertaken in the immediate future. In so doing I will be as brief as is consistent with making clear to a lay audience this highly technical subject. The diseases with which I shall deal are seven in number. Five of these, namely, Malaria, Yellow Fever, Plague, Kala Azar, and Relapsing Fever are conveyed from man to man by biting insects. The remaining two—Cholera and Dysentery—are as a rule water-borne.

"I will first deal with what is being done in connection with malaria. There can be no doubt that this disease is responsible for more sickness and death in this country than any other individual cause. In some tracts it is a scourge worse than either plague or cholera, and in few places does the population escape entirely. To this the Government of India is keenly alive, and special exertions are being made to mitigate the evil. At the present time

there are eight officers on special duty in different parts of India studying the local conditions which underlie and are causing the malaria and devising schemes for its reduction or abolition. Special grants have been made by the Government of India for such investigations, and as schemes have been prepared, further grants have been given either to cover their full cost or assist in bringing them into effect. To Madras Rs. 28,000 has been given for a malarial inquiry in Ennore, and this as also a general investigation into malarial conditions throughout the whole presidency is in progress. A complete survey of the conditions favouring the prevalence of malaria in Bombay has furnished recommendations for the prevention of that disease within the City. A grant of Rs. 50,000 has been given to assist in carrying these out. Two other investigations—one in Sind and the other in the Canara District—are also in progress in this Presidency, and for these a grant of Rs. 21,380 has been made.

"In Bengal the conditions are very different from those in other parts of India, and, as the Hon'ble Member told you just now, malaria appears to be largely due to overgrowth of jungle. The Government of India suggested that an experiment might be made to see how far conditions could be ameliorated by the clearance of this jungle, and the grant of Rs. 50,000 has been made to help in carrying it out. Other experiments and investigations are in progress in this province which, it is hoped, will lead to further good results. In the United Provinces malarial surveys were undertaken in the towns of Saharanpur, Nagina, Kosi, Kairana and Meerut. These have all been completed and recommendations made for each place. In Saharanpur, Nagina and Kosi an active anti-mosquito campaign is being carried out with the aid of a grant of Rs. 1,80,000 from the Government of India. The schemes for Kairana and Meerut are still under consideration. From the Punjab Government a scheme regarding the town of Palwal, which lies in a specially malarious tract, has been received and Rs. 35,000 is being allotted towards its cost. In Burma the Malaria Officer has prepared a scheme for the town of Kyaukpyu, and in Delhi a full survey of all the conditions tending to malaria has also been made. This survey has placed us in possession of accurate information as to the nature and extent of malarial infection in and around old Delhi—information which will be of great use to the authorities when they are considering the location of the new Imperial City. The list of work in progress is a long and satisfactory one, but it is Government's intention to further extend it to other places as men and funds become available.

"In this connection I may mention that several interesting points were brought into prominence during the discussion at the recent Malarial Conference at Madras. Thus investigations have shown that the cultivation of rice and of other crops for which an abundance of water is necessary need not lead to the formation of dangerous breeding grounds for mosquitos. In the interests of agriculture, therefore, we are endeavouring to ascertain the precise conditions under which such cultivation is, or is not, likely to be harmful. We are also pursuing inquiries with a view to discovering what are the most effective larvicides and natural enemies of the mosquito and which of them are best suited for use in particular localities and under different conditions of environment. Here I must mention a very interesting paper on insect psychology, which was read by Professor Howlett before the last meeting of the general malarial committee. This paper shows that we must regard the biting insects not as intelligent beings consciously shaping a path through life, but as being in a state of active hypnotic trance and influenced by external stimuli such as particular scents and sounds. If Mr. Howlett's view is correct, it is obvious that it opens up great possibilities in mosquito control. Once we discover the stimulus which determines a mosquito's action we hold the key of the position since we can apply our knowledge to the mosquito's undoing. As Professor Howlett aptly puts it 'it is no intelligent foe we have to fight, but a mere battalion of somnambulists.'

"I turn now to Yellow Fever:—The Council will remember that Major James was sent to Panama to devise measures for keeping this disease out of the country. This officer has returned to India and submitted a most interesting and valuable report which will shortly be published. Meanwhile

Hon'ble Members will be glad to learn that after a careful study of the trade routes Major James is of opinion that the immediate danger to India on the opening of the Panama Canal is not as great as was anticipated originally. His chief reasons for this view are first that the very thorough precautions taken at Honolulu which is the first port of call for the trans-Pacific voyage to the East, affords a strong protection against the infection of Asia and the East Indies, and secondly, that on the usual route to Hong Kong, the ships after leaving Honolulu pass northwards into latitudes not as a rule favourable to the life of the mosquito so that there is little likelihood at present of the introduction of infected mosquitos into our ports. This however does not justify the conclusion that little or no action is at present necessary. Major James makes a number of important recommendations which are now under consideration. Time will not permit of my dealing with these, but I must say a few words with reference to the extermination of the stegomyia or 'tiger' mosquito or its reduction to non-dangerous numbers in our ports. The surveys already carried out show that the stegomyia is essentially a domestic mosquito which breeds in small collections of stagnant water such as old bottles, tins, water-barrels, etc., within house limits Its extermination therefore is essentially a matter of house sanitation. But from the observations made it is clear that the key to the problem of reducing the number of stegomyia mosquitos in Indian sea-ports lies in the improvement of the water-supply. We can easily deal with discarded tins, bottles, etc., thrown away in yards, but if we are to attain success, it is necessary that arrangements should be made for a continuous water-supply to the houses, thus obviating the necessity for water storage in houses, for it is the receptacles for such storage which constitute the most important breeding grounds of this mosquito.

"I now come to Plague:—In connection with this disease, two very important points have been brought into prominence at the recent Sanitary Conference.

(1) The large part played in the spread of plague by grain stores and grain markets. Captain White has shown clearly that there is a close correlation between the import of grain into each trade block and the amount of plague from which such areas have suffered in the past. It follows, therefore, that the protection of grain in bunnias' shops, the construction of rat-proof grain godowns and where possible their erection at some distance from human habitations are useful preventive measures. There is also the problem of the disinfection of grain in bulk. Last year I informed the Council that experiments were in progress at Parel with a view to solving the problem of how to disinfect bags of grain without damaging their contents. These experiments have proved encouraging under laboratory conditions, but we considered it necessary to carry out a practical experiment of disinfection of grain on a larger scale, and for that purpose a sum of one thousand rupees has been sanctioned from the research fund.

(2) The second important point is that if a locality is infected late in the plague season the disease does not burn itself out and the locality thus becomes the starting point of an early epidemic in the next season and thus a potential source of widespread infection. It is obvious therefore that special attention should be paid to the definite marking down of such localities, and that the energies of plague preventive staffs instead of being relaxed as is so often the case, should be specially concentrated on them during the quiescent period.

"I now come to the Kala Azar inquiry. The researches into this disease have been carried out under the direction of a committee consisting of Surgeon-General Bannerman as Chairman, and Major Christophers and Dr. Bentley as Members. The actual investigations have been entrusted to Captains Patton and Mackie and Dr. Korke, the division of labour being as follows:—Captain Mackie has conducted an epidemiological inquiry into the distribution and prevalence of Kala Azar in Assam, where the conditions for

the spread of the disease appear to be peculiarly favourable. Captain Patton and D Korke have worked in Madras, the former devoting himself chiefly to laboratory experiments in the King Institute, Guindy, while Dr. Korke undertook the investigation of the disease in the endemic area at Royapuram. Distinct progress has been made by all the officers working on this inquiry. Captain Patton has shown that under certain definite conditions the parasite of Kala Azar undergoes its full cycle of development in the body of the bug which he considers to be the insect-carrier of the disease. He has not yet succeeded however in transmitting the disease from one animal to another. The difficulty of course is to obtain a susceptible animal for the transmission experiments, but we hope that this difficulty will soon be surmounted. I must mention here that Colonel Donovan, who was the original discoverer of the parasite, has given good reasons for thinking it possible that the infection of Kala Azar may also be conveyed through the mouth and that Dr. Korke as a result of his investigations in Royapuram has elicited the interesting fact that the disease is not strictly speaking a house infection, but that it tends to cling to communities having close social intercourse with one another. It is obvious therefore that more work is needed, and it has been decided to continue the inquiry for another year both by laboratory experiments and investigations in the field.

"The last of the insect-borne diseases is Relapsing Fever:—This is a disease due to an animal parasite which from its peculiar spiral shape is called a spirochœte, and the insect-carrier of the disease, as was proved some time ago by Captain Mackie, is the body louse. The disease had practically died out in this part of India, but it has recently re-appeared in the United Provinces, and there are reasons for believing that it is endemic in the Jumna Kadir where it is frequently unrecognised and treated as Malaria. We have therefore at the request of the Local Government deputed Captain Brown from the Research Institute at Kasauli to proceed to the United Provinces for a period of three months in order to investigate the causes of the recent outbreak.

"I now come to the two so-called water-borne diseases, Cholera and Dysentery.

"Major Greig working at Calcutta and Puri has during the year carried out a most important series of observations which go to prove that in addition to contaminated water the following three factors are of great importance in the spread of cholera:—

(*a*) Convalescents, who though showing no symptoms, are still infective.

(*b*) Healthy persons who have been in contact with cholera cases and who are acting as 'carriers' without having themselves contracted the disease.

(*c*) Flies.

"Major Greig is still continuing his researches which will, I trust, prove of much value to the Committee which is now inquiring into the possibility of improving the sanitary arrangements at the different pilgrim centres. As regards dysentery which is the cause of so much sickness and mortality throughout India generally and specially in Eastern Bengal and the Andamans, all I need say is that much uncertainty and doubt still exist as to the causation of its different varieties. It has been decided therefore that the whole subject shall be carefully and thoroughly investigated, and we have selected for this purpose Captain Cunningham, the assistant to the Director of the Central Research Institute, Kasauli.

"One word more and I have done. It is obvious that in dealing with water-borne diseases we must be in a position to say definitely whether or no a given sample of water is fit for human consumption. Now this is a point on which there is much difference of opinion. It is recognised that the bacteriological standards fixed for England are not always reliable in this country. Moreover, when samples of water are sent to distant laboratories, they are liable to undergo decomposition *en route*, and thus the analysis may be of little or no value.

It has been decided therefore to hold an exhaustive inquiry into the following points:—

(*a*) What are the most suitable methods of water analysis?

(*b*) Is it possible to fix definite bacteriological standards for India?

(*c*) What plans should be adopted for conveying samples of water to and from distant laboratories?

"This, Sir, is our programme. I trust the Council will find it satisfactory."

The Hon'ble Mr. Clark:—"Sir, I have to introduce the heads of Excise, Customs, the Post Office and Telegraphs, Stationery and Printing and Railways. As regards the heads of minor importance in this list, I have nothing to add to the memorandum explaining the details of the estimates, except that in relation to Stationery and Printing, I should like to take this opportunity of expressing an appreciation, in which I am sure Council will share, of the effective manner in which the difficult task of creating at Delhi a printing press adequate to meet the heavy strain imposed upon it during our Legislative Session, has been carried out by Mr. Cogswell, the Controller of the Stationery Department, and Mr. Meikle, the Superintendent of Printing. Great credit also is due to their staff for their loyal co-operation and for the excellent work they have done in their new surroundings.

"The record of the Post Office and of the Telegraphs for the year is eminently satisfactory. For the year 1911-12 the receipts of the Post Office amounted to £2 134,279 and the expenditure to £2,008,470, so that there was a surplus of £125,809. Adding to this the sum of £46,030, representing the surplus for the preceding year, we get a total of £171,839, which exceeds the deficit for the two years 1908-09 and 1909-10 taken together by £100,352. According to the revised estimates the receipts for the year 1912-13 will amount to £2,259,500 and the expenditure to £2,036,400; and, if our anticipations with regard to the coming year are realised, the surplus for the year will exceed £300,000. The expansion of business and the curtailment of expenditure during the past two years has fully restored the financial equilibrium of the Department, which was seriously disturbed for a time by the great reductions made in postage rates and the comprehensive measures taken to improve the pay of the staff in all grades. I think, therefore, I am fairly entitled to say that the financial position of the Post Office at the present time is highly satisfactory, and that we may look forward to even better results in the next few years.

"Turning to Telegraphs, the Revised estimates of revenue for the Indian Telegraph Department exceed the Budget estimates by £44,100 owing to the prosperity of the country during the year, while there is a corresponding increase of £36 500 in expenditure, which is chiefly accounted for by the purchase and installation of wireless apparatus. For next year we have budgeted for an increase of £50,600 in Revenue and £87,200 in Expenditure, of which Capital expenditure accounts for £44,500 and Revenue expenditure for £42 700. The former is due to the extension of the wireless system, and the latter is required to provide for the extra establishment necessary to deal with the growth in traffic and for the cost of remodelling the wireless stations in the Bay of Bengal. Provision has also been made for the expansion of the Telegraph and Telephone systems, and the Department has arranged to make their funds for this purpose go further than before by using cheaper material for erecting the less important lines.

"The details which I have just given belong to the every day life of the two Departments; I turn now to the event of special interest in their history during the current year, namely, the step forward which has been taken towards a permanent amalgamation of the Posts and Telegraphs. Last April, Sir Charles Stewart-Wilson, the Director-General of the Post Office, was placed provisionally in charge of the two Departments with instructions to report whether a complete fusion of the Postal and Telegraph services was feasible and advisable, and, if so, to prepare a scheme for their gradual amalgamation. Sir Charles

considered that the problem could only be satisfactorily solved by an experiment, and he accordingly proposed to Government that a tentative amalgamation should be carried out in two selected circles. The principle which he recommended for adoption was to entrust the traffic administration to the two Postmasters-General, and to place the engineering work of both Circles in charge of one officer of the Telegraph Department directly subordinate to himself. By this means he proposed to avoid the evils inseparable from the system of dual control which had long impaired the efficient administration of the traffic side of the Department. He proposed, in effect, that engineers should be employed solely for engineering work instead of also being entrusted, as has hitherto been the case in the Telegraph Department, with traffic duties, in the discharge of which specialised technical knowledge is not required. These proposals secured the approval of the Government of India, and the experiment was introduced in the Bombay and Central Circles, where it has worked smoothly and successfully. In addition to this experiment, Sir Charles Stewart-Wilson and the Hon'ble Mr. Maxwell have, either one or the other, visited nearly every important centre in India, and at every place have discussed the scheme with all bodies and persons who might be interested. They have devoted no less labour and care to the investigation locally of the interests and requirements of the staff, in accordance with the desire expressed by Government last year that all possible protection should be afforded to the personal interests and prospects of the existing staff of both Departments in all grades.

"The draft scheme which is the outcome of their investigations is now under consideration by the Government of India and the Secretary of State, and I cannot therefore discuss it to-day. But from what I have said I think Council will agree that Sir Charles Stewart-Wilson and the Hon'ble Mr. Maxwell, who has been his righthand man throughout, have dealt with their part of the task on an altogether admirable plan, which they have carried out at the expense of much time and labour to themselves. They have recognised—as Government have recognised from the beginning—that this is a matter in which the public have especial rights. Whatever affects postal and telegraphic communications, affects modern life on all its facets alike in its pleasures and its business, its public and private relations. They have spared no pains therefore to take the public, and especially the commercial public, thoroughly into their confidence, and the Chambers of Commerce on their side have been most helpful in meeting them and thoroughly discussing the scheme. They have equally spared no pains in investigating by personal discussion and inquiry the interests of the staffs of both Departments, with a view to devising proposals by which their prospects may be adequately and efficiently safeguarded.

"I cannot close this review of the work of the two Departments, without a reference, however brief, to the loss which they have sustained through the departure on leave of Sir Charles Stewart-Wilson, preparatory to retirement. Sir Charles Stewart-Wilson has been Director-General of the Post Office since 1906, and was made Director-General of the combined services of the Posts and Telegraphs, when the provisional appointment was created, in April of last year with a view to testing the possibilities of amalgamation. During the seven years of his rule over the Post Office, he brought that service to a pitch of efficiency of which this country has every right to be proud. His term will be especially memorable—apart from the question of amalgamation—as having witnessed the introduction of the reduced rates of postage which have conferred upon the millions of poor people in India the inestimable boon of probably the cheapest postal communication in the world. When the question of placing the two services under one head arose, there could be no doubt but that Sir Charles Stuart-Wilson was the best man who could be found for the post. Many men nearing the end of their service might have hesitated about accepting a task involving the heavy work and responsibility of the double administration and the preparation of the scheme of amalgamation; but Sir Charles undertook the duty readily and, in spite of health which was not at its best, threw himself into it with his accustomed energy and with a characteristic optimism which made light of diffi-

culties. I have already referred to the manner in which that work has been carried out, and I need only add here that if, as I hope, amalgamation becomes an accomplished fact in the future, if it proves the success which I venture to hope it may, this result will be due in very large measure to the manner in which it has been initiated under Sir Charles Stuart Wilson's guidance. It has been my good fortune at different times to be associated with men of widely variant types who each in their way have been gifted with a real genius for administration; one characteristic they have all had in common. They have possessed the power of devolving non-essential work on others; of avoiding the burden of excessive detail; while at the same time owning an intimate and almost magical knowledge of every essential factor in the organizations under their charge. Sir Charles possessed this faculty in no small degree. He never allowed himself to be overburdened with masses of work which could be done by subordinates; he was never too busy to give full time and thought to matters of importance; yet he knew intimately all the intricacies of the complex machine which he controlled, and could meet any defect or emergency with unfailing readiness and resource. Add to this that he was a co-adjutor of imperturbable good humour and kindliness; a delightful companion and friend; and Council, I think, will realise that, ably as we know his work will be carried on by his successors, I, at least, as head of his Department, may well feel a very real sense of personal loss that the time has now come for his retirement.

"I turn now to the Railways. According to custom I will ask my Hon'ble friend, the President of the Railway Board, to lay before Council a review of the progress made during the year, but I think it is desirable that I should say a few words on the subject which has been of capital interest in the last 18 months—the question of congestion. It is a problem of far-reaching importance, affecting alike the commercial, industrial and agricultural interests of the country; and it is only right that Council should have Government's policy in the matter put clearly before them. First of all, as to the nature of the task which has been set the railways. There has been an enormous and altogether unprecedented expansion of trade in the last two years. Our total import and export trade in the calendar year 1912 showed an increase of £25½ millions over 1911 and of £42½ millions over 1910. Some of this increase must be put down to the rise in prices, but with all deductions made the figures are still enormous. The statistics of shipping tell a very similar tale. So great was the activity in foreign commerce that the total tonnage entered and cleared at Indian ports last year was more than a million tons in excess of the figures for 1911. The increases in exports of agricultural produce especially have been phenomenal. Shipments of grains of different kinds increased in the last two years by 48 million cwts. Barley alone, which in 1910 was exported in only a trifling quantity, amounted last year to 13½ million cwts. And it is not too much to say that, when foreign trade has been so markedly prosperous, the internal trade of the country, for which correspondingly recent figures are not yet available, will not have lagged far behind.

"Now these figures indicate two things. They indicate the great strain which has been put on the railways, and they also indicate that they have by no means broken down under it. I have no desire to minimise the serious losses caused to producers and manufacturers by the delays to traffic and by the undoubted failure of the railways to carry all that has been offered; but they are entitled to this much credit; for, if their failure had been anything like as complete as it has been represented in some quarters, this huge expansion of the country's trade could scarcely have taken place. Efficiency of railway transport is an essential factor of commercial expansion in any country, but especially so in a country of vast size like India, where a year of exceptionally good trade implies the movement of largely enhanced volumes of agricultural produce. In point of fact the carrying capacity of the railway has shown itself remarkably elastic. The actual weight of goods carried in 1912 reached the record figure of 84 million tons—13 million tons more than in 1911 and 19 millions more than in 1910. This, I venture to think, is no mean achievement.

"The prosperity of the last two years has not been peculiar to India; it has been world wide. Similarly the strain on railways would seem to have been a very general experience in the great commercial countries of the world. Students of the railway papers will have noticed that the same complaints have been heard in France, Germany, the United Kingdom, Australia, Canada and the United States of America. A great railway expert in the United States recently spoke of the disaster. I use his own word, with which the commerce of the country was threatened by the deficiencies of the railways. I do not mention these examples as in any way desiring to whittle away Government's responsibility for the losses and difficulties which the defects of the railway have caused in India, any more than the responsibilities of railway administrations in the United States could be lessened by American railway magnates citing the troubles of Indian railways. But it is a significant fact that the same phenomena should be producing themselves simultaneously in countries like India, France and Germany, where Government takes a hand in the administration and management of the railways, and in those, such as England and the United States, where railway management is altogether a matter of private enterprise. I think the fact illustrates the true nature of the difficulty—the difficulty, namely, that railway facilities cannot beyond a certain point be rapidly expanded to meet a sudden and violent increase in demand. It will be said, no doubt, that Indian railways, even in altogether normal years, are not equal to the demands made upon them. That is not an entirely fair way of putting the case, for the difficulties of Indian railway administration are enormously complicated by the seasonal nature of Indian business, which means great pressure for a relatively short period of the year, pressure which is enhanced by an immense proportion of the produce exported having to be shipped from one of two ports. The railways are judged by their success or failure during this busy period, and little or no allowance is made for difficulties of organising traffic economically to meet the varying demands at different times of the year. But I do not deny that there is truth in the charge, and the railway policy of Government in the last few years has aimed steadily at its removal. The rate of progress has had to be conditioned by finance, but at least Government have had a clear end in view. Desirable and tempting as the further extension of railway construction would be, Government has consistently stayed its hand, and instead has devoted far the larger part of the capital available in each year to the improvement of open lines and the provision of rolling-stock. In the last five years the average proportion so utilised has been some three-fourths of the whole. My Hon'ble Colleague, the Finance Member, dealt in his speech on the 1st March with the provision of capital for railways I need only remind Council that this year the sum of £12 millions is being provided, representing an increase of $1\frac{3}{4}$ millions over the revised figures for last year, and of more than £4 millions over the average expenditure during the three years 1909-10—1911-12. At the same time the question has been taken up of making it easier for the Railway Administrations to spend their allotted grants within the financial year and thus avoid lapses. Some of the causes which lead to lapses are outside our control; they depend on the activity of the English markets, the demand for railway material in other countries or the occurrence of labour troubles. But in so far as they depend on our machinery for financing railways, they are being closely examined and good results have already shown themselves in the current year in which the anticipated lapse seems likely to be much smaller than recently. I hope that an even greater improvement may be achieved in future.

"One other point I must touch on and I will then not detain Council further It is not enough to have plenty of money to spend; we must be sure that it is being spent the right way, and that the existing railway facilities are being utilised to the best advantage. It was this consideration no doubt which led the Bengal Chamber of Commerce and the East India Committee of the London Chamber of Commerce to press for an outside expert inquiry into our railways. Government have very carefully considered this suggestion, but, on the whole, its adoption in the present circumstances has appeared to them inadvisable. I need not

give our reasons in detail, but broadly what has influenced us is that such an inquiry would inevitably take a very long time; it would *ex hypothesi* be conducted by a person or persons unfamiliar with the special conditions and difficulties of Indian railway administration, which has dangers of its own; and as there is no reason to suppose that the different Railway Administrations and the Railway Board are not fully cognisant of the immediate improvements required, insufficient grounds would seem to exist for risking these disadvantages. I think anyone who studies the detailed lists of works included in the Programme for the next three years will be satisfied that the needs of our railways are well understood and are being met. At the same time we are very far from wishing to debar ourselves from the advantage which may be reaped from experience in other lands. In a country such as India, cut off from actual railway contact with other countries, it would be always possible that our methods might be getting rusty; besides, every country has something to learn from another in railway matters, and it is of great value to see how difficulties have been surmounted or at least grappled with by other nations, whose railway problems are in some respects similar to our own. What has seemed to us the best policy is from time to time to send our own men, who of course are thoroughly conversant with Indian conditions, to study special methods in other countries and to examine how far they might be applicable in India; and to combine this with bringing over to India foreign experts to help us in specific cases and for specific purposes. We thus avoid the delay inseparable from a large inquiry; and we avoid the risk of having forced upon Indian railways methods not suited to their circumstances. In pursuance of this policy, Major Cameron, of the North-Western Railway, was sent early last year to Canada and America to study the possibility of introducing on Indian railways the A. B. C. despatch system which has been specially devised to meet the requirements of traffic over long leads of single line—a very familiar condition in India. If in light of Major Cameron's Report, this system, which I understand has been amazingly successful in increasing the carrying capacity of American and Canadian lines, is found likely to prove workable in India, we shall endeavour probably to obtain the services of American or Canadian experts in introducing it experimentally on one of the State-worked railways. Similarly advantage has recently been taken of Mr. Merz, the well-known expert in electrification, being in the East, to obtain reports from him on the possibilities of electrification for suburban traffic on the Great Indian Peninsula and Bombay, Baroda and Central India Railways at Bombay and on the Eastern Bengal State Railway at Calcutta. The use of electrical power has played a very important part lately in western countries in expediting local traffic and preventing congestion in the neighbourhood of large terminal stations, and it has been well worth our while to obtain expert opinion as to its potentialities in our most crowded areas. It is on these lines, rather than by a general, and therefore perhaps rather diffuse, inquiry that Government think outside experience can be most practically and usefully applied to our railways. The two instances I have given are fraught with very far-reaching possibilities, and the Railway Board have under consideration whether action of a similar kind might not advantageously be taken in other directions. In the meantime, as Council is aware, Sir Henry Burt has been appointed temporarily as an Additional Member of the Railway Board solely to investigate on the spot causes of congestion, and to advise what steps might be taken to bring about some immediate relief; and I think the commercial representatives here in Council will agree that he has already achieved very valuable results in the areas which he has visited.

"I have not attempted to discuss comprehensively the whole problem of congestion on Indian Railways, a task which would involve far too large a draft on the time of Council. I have merely endeavoured briefly to explain the principles on which we are grappling with it. Let me conclude by summarising them. As a purely temporary measure, Government have placed one of their most capable railway officers on special duty in order to assist and advise Railway Administrations in congested areas. Their policy for the future is to continue to devote to open lines, until they have reached the necessary

standard of efficiency, the lion's share of the annual capital grants. They are endeavouring to effect arrangements which will facilitate the expenditure within the year of the allotted grants and avoid the lapses which have been a too frequent characteristic of our railway finance in the past. Lastly, as I think I have shown, they are not neglecting the problem of how the grants may best be spent, and how India may best benefit by the experience gained by men responsible for the management of railways in other lands."

The Council adjourned to Saturday, the 8th March, 1913.

W. H. VINCENT,
Secretary to the Government of India,
Legislative Department.

DELHI,
The 17th March, 1913.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 to 1909 (24 & 25 Vict., c. 67, 55 & 56 Vict, c. 14 AND 9 Edw. VII. c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Saturday, the 8th March, 1913.

PRESENT:

The Hon'ble SIR GUY FLEETWOOD WILSON, G.C.I.E., K.C.B., K.C.M.G., Vice-President, *presiding*.

and 58 Members, of whom 52 were Additional Members.

DISCUSSION OF FINANCIAL STATEMENT.

SECOND STAGE.

The Hon'ble Sir T. R. Wynne.—"The Budget Statement shows that the net results of the working of the State-owned Railways of India for the year 1912-13 has been the sum of £5,653,000 sterling as compared with £3,800,000 for the previous year, an increase of nearly two millions of pounds of profit.

"The credit for these splendid results is mainly due to the officers and subordinate staff of the Railways of India, who have worked under most trying and exceptional conditions with the greatest devotion to their duties.

"The figures also show that within the limitations within which the Railway Board have to operate the funds placed at their disposal have been well spent.

"Taking a period extending over 16 years from the year 1896-97 to 1912-13. I take 16 years, because the Railway Board has been constituted for the last 8 years.

"For the year 1896-97, the gross receipts of Indian Railways were only 23 crores of rupees.

"For the year 1904-05, the Railway Board being constituted at the beginning of 1905, the gross receipts were 37½ crores.

"For the year 1912-13 the gross receipts will be 55½ crores.

"During the first eight years of this period the gross receipts rose by 11 crores, during the second period they rose by 21½ crores, or for the whole period by 32½ crores. Furthermore the percentage of working expenses in 1912-13 has been the lowest on record.

"Now the Railways of India could not have earned such largely increased gross receipts unless the funds available had been judiciously spent on a fixed and steady policy, the charge made that there has been no such policy is not borne out by the figures before you. Whether the progress of development has been equal to the growth of trade is quite another point. The Hon'ble Member in charge of the Department has already dealt with the recent congestion and the efforts which are being made to meet it, and I will not therefore take up further time of Council in discussing it; but I wish to make it very clear that I am not in any way arguing that we should rest satisfied with what has been done. Far from it, I hold the opinion that the development of trade in India depends very largely on railway transport being thoroughly efficient and reliable as the certainty of being able to get prompt carriage for produce to the ports encourages trade to enter into larger transactions; and I am convinced that we should persevere in our policy of steadily improving our transport facilities.

"Turning now to what is actually being done in railway working. As you know the major part of our railway grant is being spent on open line improvements. Lines are being doubled, terminal facilities enlarged, larger accommodation is being provided at junctions, and in fact all works which will increase carrying capacity are being pushed on. Last, but not least, large orders have been placed for locomotives and wagons. Though not much money has been available for starting new lines this last year, it must not be thought that construction of new lines has come to a stand-still. For the year 1913-14, a sum of 350 lakhs will be spent on lines now under construction, and I will refer to a few of the projects in hand.

"In Bengal the most important work, the Sara Bridge, is well in hand and its completion will remove one of the biggest obstacles which now exists in the development of the trade between Northern Bengal and Calcutta. The cost of this bridge will be 4 crores, and it is expected it will be opened in 1915, that is two years from now. It will be one of the great engineering works of the world.

"In the Punjab the construction of valuable branch lines to Hoshiarpur, Abbottabad and Bannu is well in hand.

"In the United Provinces the Cawnpore-Banda Railway is nearing completion.

"In Assam the important connection between Chittagong and Dacca is being pushed on."

"In Burma ample funds have been provided for the construction of the line to open out the Southern Shan States, a country which offers great prospects of development.

"In the Central Provinces the Great Indian Peninsula Railway are completing their line from Itarsi to the Pench Valley coal fields and in Chota Nagpur a line is under construction to tap the Ramgarh Bokaro coal field, a most important work.

"These are only some of the lines which will at no distant date come into operation as useful feeders to the main system and they are all financed from the railway programme. Plans and estimates of new lines have been prepared, and as the demands for funds from the programme for lines in progress diminishes it will be possible to put in hand new extensions.

"But the most important development of railway construction is occurring in the direction of the formation in India of branch line companies with the financial assistance offered by Government in their resolution published in the year 1910. These lines are all being constructed by capital provided outside the funds supplied by Government under the railway programme and the capital so raised is in addition to that provided by Government.

"A very considerable number of proposals of this nature are now before the Railway Board, some from Indian firms of high repute.

"The Jessore-Jhenidah line promoted by Messrs. Khetter Mohun Dey and Company of Calcutta is almost ready for opening, and another Company was successfully floated a month ago in Calcutta to carry out some very useful branches in Northern Bengal.

"The great attraction of this investment is that the shares tend to rise in value, the shares of several such companies on the Bombay side being now at a substantial premium.

"The terms of this resolution may not be familiar to Hon'ble Members, and it might be useful to briefly explain them.

"What the Government of India offer is this. Provided the project is a sound one the Government of India agree that if a Company is formed to provide the capital, and the proposed line is in connection with a State-worked line, it will work it at a fixed percentage of the gross receipts and in addition either give a guarantee of 3½ per cent. and a share in the surplus profits, or give such an addition in the net receipts of the line as will enable a dividend of 5 per cent to be paid, *plus* a share of surplus profits, such addition being subject to the limitation of not exceeding the net profits of the main line on the traffic interchanged.

"The capital must be in rupees and the Company must be domiciled in India.

"These terms have the very great advantage of offering to rupee capital in India a form of investment which is sound and has possibilities of growing in value, and experience is showing that it is a form of investment which is beginning to be much appreciated by Indian investors.

"In a speech at the recent meeting of the Bombay Chamber of Commerce Mr. Marshall Reid referred to the large source of capital available in this country, and expressed the opinion that he could not think of any public security which would appeal more to the Indian mind than the very tangible one of a railway security. I am fully in accord with Mr. Reid's view and think that the capital required for branch lines in the future can be raised mainly by Companies domiciled in India formed under the branch line terms of 1910 with rupee capital. There is every sign that Indian investors are turning their attention to this class of investment which the Railway Board has done its best to encourage, and its development will add largely to the amount spent every year on railways in India and be a most substantial addition to the funds provided by Government in the programme which could, as has been the steady policy of the past, continue to be mainly devoted to improving the capacity of the existing lines.

"With this increase in the source of capital available, it should be possible for the Government of India to continue their conservative and sound financial policy of financing their railways, and at the same time ensure the construction of the many branch lines required. It should be able to raise such additional capital as was wanted for branch lines on terms it was willing to give and without affecting the rate of interest at which it now raises capital for railway construction.

"Another very marked feature in railway construction in India is the great interest some of the leading Chiefs are taking in railway construction in their States. Schemes are now being worked out which collectively will involve the expenditure of some 5 crores of rupees, the whole of which capital will be found by these Chiefs.

"In conclusion, I think it would be useful to explain the conditions under which the Railway Board work, as considerable misconception appears to exist on this point.

"In a recent memorial by the Indian Mining Association, which has been published in the papers, reference was made to the gigantic task of the Railway Board in managing and controlling all the railways in India.

"The Railway Board is not responsible for the provision of capital funds. It is liable to be overruled in the amount it considers should be provided for working expenses required in order to enable railways to be worked efficiently and for the provision of works debitable wholly or partly to revenue.

"In times of dull trade, and when railway receipts do not come up to budget anticipation, they are accused of extravagance.

"Time passes, trade improves and the Railway Board are blamed for more money not having been spent in the past so that the railways might have been in a better condition to deal with the growth of traffic.

"What the Railway Board has done is to plod steadily along with the settled policy of improving the carrying capacity of railways as far as the means placed at their disposal permitted.

"I do claim that it has spent well the money with which it has been supplied, as is illustrated by the financial results shown in the budget. I also claim that as far as its powers go it has done its best to settle differences between trade and railways and to assist in the development of industries and commerce.

"Such differences exist in every country. In England Mr. Lloyd George, speaking last month in the House of Commons on a Railway Bill, made the following remark in connection with English Railways:—

> 'They ought to have a reconsideration of the railway system, not merely for the protection of the shareholders, but for the protection of trade and industry.'

"I believe the railways of India are fully alive to the need for doing their best for the development of the trade and industry of India, but there is still large room for improvement and in many ways railways could, I think, deal in a more businesslike way with trade than they do now. But while I hold this view, and while the Railway Board are always willing to help as I have said in the adjustment of differences, it must be remembered that the daily dealings between railways and traders is a matter for them to deal with and not the Railway Board. There is a very general tendency in the mind of the public to hold that the Railway Board is responsible for the whole of the working and detailed management of the railways of India. This is not the position the Railway Board have been placed in, and if this is appreciated I think the work the Railway Board do would be judged more fairly than at present, and they would not be held liable and be made responsible for every detail in railway working regarding which any of the public or any branch of trade may consider that they have a grievance against a railway."

The Hon'ble Sir Reginald Craddock:—"Sir, I beg to introduce the heads of the Financial Statement for 1913-14 which belong to my Department. These heads are Registration, General Administration, Courts of Law, Jails, Police and Medical. Under all these heads, except Medical, the bulk of the expenditure involved goes in maintaining these necessary services, and any fluctuations and alterations in these heads which require notice are sufficiently explained in the memorandum which accompanies the Financial Statement. I propose, therefore, to confine any remarks that I may have to make, to the head 'Medical.' Under the head 'Medical' is included the very large expenditure devoted to sanitation, which is in the charge of my Hon'ble Colleague the Member for Education, and by the side of the sums that are spent on sanitation, the sums that are spent on medical, apart from sanitation, are comparatively small. But as you all know, and as the proverb goes, 'Prevention is better than cure,' and therefore larger sums have to be spent for prevention in the shape of sanitation than for cure in the shape of medical relief.

"But in the present budget there has been included a special provision of 10 lakhs for grants-in-aid for medical purposes. I could have wished that my Hon'ble Colleague, the Finance Member, had been able to spare more for this particular head, but it is gratifying to find a grant of this kind for the first time, and in so far as part of it will be concerned with medical education, treating medical education as a part of technical education, I have hopes that my Hon'ble Colleague, the Member for Education, may be able to find, in apportioning the large sums at his disposal for education generally, that he can apportion some for the improvement of medical colleges and schools. However, this grant of ten lakhs will be of great value to the various provinces among which it is distributed. For the present 1 lakh is being kept in reserve. The provinces of Madras, Burma and the Central Provinces receive 1½ lakhs each; Bengal, the United Provinces and Bombay 1 lakh each; Bihar and Orissa

and the Punjab ½ lakh each, and Assam and the North-West Frontier Province, ¼ lakh each. These are modest beginnings, and I must confess that the sums given bear only a small proportion to the sums asked for. Some of the provinces sent up large demands under these heads, and others sent more modest demands; but in apportioning them the principle generally followed was to pay regard, first, to the definite schemes which the provinces were able to point to as being ripe for execution, and secondly, to their own financial ability to help themselves and, thirdly, to the extent to which medical institutions and medical relief in those provinces were advanced or backward. On these three principles this sum of 10 lakhs has been distributed, after full consultation with the Director-General of the Indian Medical Service, who, in the course of his extended tours to the various provinces is fully able to advise us on the relative merits of the projects and schemes that are in operation. I hope that at some future time it may be possible to increase the grant made for such excellent purposes. For the present I am sure that the Council will be interested to know that this subject has received our attention."

RESOLUTION REGARDING OPENING OF A PORT BETWEEN CHANDBALI AND SHORT'S ISLAND.

The Hon'ble Mr. Madhu Sudan Das:—"Sir, in the despatch in which it was first proposed to create the new province of Bihar and Orissa there is mention of the intention of Government to give a port to the new province. There are, at present, three ports in Orissa: there is Puri, False Point and Chandbali, but all these three ports are maintained by Government at a loss. Puri is nominally a port, because it is very shallow and steamers cannot approach it within a distance of some miles. It can never serve the commercial purpose which a port is naturally meant to do. At present it imports only diseases and exports the sins of the Hindus who go and bathe there. Doctors consider it a sanatarium and recommend Puri to most patients and all that we import are microbes, and they will never pay Government. False Point was used in former days very largely, but unfortunately the sea is receding there towards the east now. As a matter of fact it was used in those days when there was no other communication between Orissa and the outside world, and the communication between the busy markets of trade in the interior of the province—between these places and False Point—is by creeks and channels over which it is very tedious and costly to travel, and they are by no means attractive from a commercial point of view.

"In rough weather steamers cannot go near False Point; they have to anchor at a very considerable distance as it is impossible for these steamers to unload and load their contents there. Consequently, for all practical and all commercial purposes, the port does not exist. The only port that is now used is Chandbali; but within the last few years the river there, near the port, has silted up. It was always a narrow river, and is used only by small steamers which ply between that port and Calcutta. It is not a place where a sea-going vessel would go; but that has become worse now within the last few years as the river has silted up.

"Orissa exports a large quantity of rice. A good deal of it is exported to Ceylon, and a large portion also to Mauritius. Mauritius sends sugar in return to Orissa. At present all these things which are used for export and import have to come to Calcutta, and then they have to be re-booked either by steamer to Chandbali or by railway to different parts of the province. There is a large export trade in hides. These hides are exported to Europe and to foreign countries. At present they go by Chandbali to Calcutta or by railway to Calcutta, and then they are re-shipped by sea-going vessels to foreign countries. Jute is a growing—(I do not know what to call it)—agricultural pursuit or by what name—it is growing very much. At the last revenue settlement of the province, as far as I remember, there were only a few hundred acres

of land which were used for jute cultivation; but within the last few years the area has increased by leaps and bounds, and now it is several thousands. All this jute is for export to foreign countries. As it is, it comes to Calcutta now, and then it is exported to foreign countries. It is a remarkable fact that, notwithstanding that we have so many coal mines in India, Japan can supply coal cheaper than we can, the reason for that being merely greater facilities of transportation. There are coal mines in Orissa which have never been worked, simply because they are now in places which are inaccessible. The country has not been worked up—I mean to say, opened up; capital is wanting, enterprise is wanting, and the present state of the country is not inviting either to capital or to enterprise. Kerosene oil is a thing which is used in every household, and of course it comes from abroad. It is now carried from Calcutta by railway, and brought to Calcutta by steamer, by some of those steamers, which are called tramps. They go about coasting and unloading their contents at places where they can find a place to unload. Now any steamer coming through the Bay of Bengal to Calcutta must pass through that part of the sea which is near the mouth of the Dhamra. The route to Calcutta, besides being circuitous, is expensive on two grounds: (1) because the Hughly river being what it is there is the cost of the pilot: (2) sailing vessels cannot come, so they have to be towed by steamers, and that means additional expenditure. If there were a port near Dhamra or somewhere in the neighbourhood of it, where vessels could safely anchor, and load and unload, there would be a great saving.

"The iron works of Kalamati will soon require a port for the export of its contents. It has been considered the second largest factory in Asia. It has just been opened, but it has a great future before it. It is an immense organisation. I have not got the figures except for 1905-06, and they show that Chandbali exported things to the value of about 34 lakhs, and imported about 29 lakhs, and the passenger traffic was about 80,000. Of course it should be taken into consideration that Chandbali is not connected by railway or any other means of communication, not even by decent roads, with the interior of the country; and therefore my Resolution is that, if a railway line be constructed connecting Bhudruck with Chandbali or any other place where a suitable site could be had for use as a port, the country will be opened up, commerce will benefit and the public will be benefited by it.

"Sir T. Wynne, in just making his remarks on the budget, enlightened me on the policy of the Government, and that policy is that feeder railway lines are patronised by Government in some form, if outside capital is raised under certain conditions. Chandbali from Bhudruck is about 30 miles, and if the site selected for a new port be a few miles more, I don't think it will exceed 40 or 45 miles. That would be approximately the length of the railway line. There is no large river which requires bridging. In putting these facts before Council and the Government in this Resolution I don't suppose that Government expect me to specify whether it would be profitable to the country and to the investor. On the contrary I do sincerely hope that, in taking into consideration this Resolution, which is more in the nature of a suggestion, the Government would not expect that I would put before them a scheme which was cut-and-dry and give them facts and figures to enable them to give me a definite reply. Of course first of all a site has to be found; that may be done by taking soundings of the river, a survey of the country has to be made and statistics gathered. I sincerely hope that Government would not expect that non-official members would go about and give them soundings of the river unless they expect them to sink in debts or be drowned in the river. All that I expect is to hear it is the intention of Government to develop the resources of the country by the supply of a port. I need not trouble the Council with the ancient history of Orissa, which, if referred to, will show that Orissa had several ports to carry on trade with foreign countries long before the advent of the British Government. In putting this Resolution before the Council, I wish it to be clearly understood that I do not wish Government to understand me to say that I am asking Government to commit itself to any site. I should in fact withdraw the Resolution if I received an assurance from Government that it is the intention of Govern-

ment to take steps in the near future to fulfil the promise contained in the memorable despatch.

I beg to move the Resolution that stands in my name, namely :—

'That this Council recommends to the Governor General in Council that necessary measures be taken to find out a suitable place between the present port of Chandbali and the vicinity of Short's Island which may with necessary improvements be used as a port by sea-going vessels, and that the new port be connected with the Bhudruck Station on the Bengal Nagpur Railway by a new railway line.'

The Hon'ble Sir T. R. Wynne:—"Sir, it is a very natural desire on the part of the new Province to wish to have a port of its own. The Hon'ble Member who has just spoken has very correctly described the character of the ports on the Orissa coast. I know them all personally; they are not ports at all; they are road-steads. In his Resolution he has distinctly indicated where he thinks the port of this new province should be, namely in the vicinity of Chandbali. In the course of his remarks two points arise; one is whether if a port is opened there trade would use it, and the second is whether a port can be made in the particular locality. With regard to the question of trade using the port, trade, as many of you know, has many peculiarities. You may make a port but it does not follow it will be used. Trade is carried on in certain grooves, and it is very difficult to get it to diverge from these grooves in which it has been running for many years and in which merchants are making a very good profit.

"The Hon'ble Member referred to the possibility of the Orissa coal developing if there was a port at Chandbali. As far as I know the coal is absolutely unfitted, in regard to its quality for export, and therefore it is extremely unlikely that any coal would go to that port. Then as regards the hide trade. I think I am right in saying that the hide trade is concentrated in Calcutta. Hides are brought there and treated before being exported, and one great advantage of Calcutta is that you can get a ship to any part of the world to which you may wish to despatch the hides.

"As regards the Tata Iron and Steel Works, Calcutta is far nearer to Kalimati where the Steel Works are situated than the new port would be. There is another difficulty. You may open a port but you cannot get sea-going vessels to go there. I will give as an illustration the port of Chittagong. You may think that from its situation it would be a port which would do an enormous amount of business. Trade there is increasing slowly, but you cannot get a port to develop until you get a regular line of steamers to go there. A steamer will not go to a port for a small amount of cargo; it will not go unless it can expect to pick up a large amount of export cargo. The thing goes round in a vicious circle. Steamers will not go to the port unless they see cargo there for them and unless they go trade will not develop. Turning now to his next point there is no possibility of a port being made near Chandbali which would be a satisfactory one. When I was Agent of the Bengal Nagpur Railway, I went personally into the possibility of establishing a port in the particular locality that the Hon'ble Member refers to. I know the place well. After passing the light-house by Short's Island you proceed up the Dhamra river for 8 or 9 miles and you find a place where there is very deep water, but to get to this place you have some very nasty shoals to pass over beyond the mouth of the river. The ships that trade between Calcutta and Chandbali do not draw more than 12 feet of water, some even less, and even with that depth I have been aground in one of them both in approaching Short's Island and in the river. To make the port it would be absolutely necessary to spend a great deal of money in dredging. The investigation I have personally made included also the construction of a railway from Bhudruck.

"Since I have left the Bengal Nagpur Railway that line has again made a further investigation. I may also say that a leading steamship company of Calcutta has also looked into the possibility of establishing a port in the locality referred to by the Hon'ble Member. They had at their disposal seamen who made soundings and consulted all the charts that were necessary, but they ultimately came to the same conclusion as I did, namely, that the only justification for a port in that particular position, namely, in the River Dhamra, would be that

the export coal trade from the Bengal coal fields could be attracted to it; but as things stand at present this is not possible. I am afraid, therefore, that from the point of view of suitability and of cost and the problematical possibility of attracting trade to it, the establishing of a port near Chandbali for sea-going ships is not a practical matter. I can assure the Hon'ble Member that the proposal to establish a port there has been fully investigated. I speak from my own personal knowledge of what I did myself, from what I know has happened since I left the Bengal Nagpur Railway, and also from what I know the well known steamship company did. If a port is established on that side of India, I think the port that will be most suitable and one which will be of considerable advantage to the new Province would be the port of Vizagapatam; that possesses very much greater possibilities than Bhudruck. To begin with Vizagapatam is already a trading centre of considerable importance. It also does a large amount of business in manganese which, as a basis for a trade with a port, would be a very valuable one.

"The Hon'ble Member asks that necessary measures might be taken to find a suitable place for a port in the locality referred to by him. I can assure him that the possibility of this site has been fully investigated, not only by the Bengal Nagpur Railway, but also by a steamship company. As both those parties came to the conclusion that for financial and other reasons there would be no advantage in spending money in opening such a port, I am afraid I must oppose the Resolution brought forward by the Hon'ble Member."

The Hon'ble Mr. Madhu Sudan Das:—"I beg to withdraw the Resolution."

The President:—"The Resolution is, by permission, withdrawn."

RESOLUTION REGARDING CONSTRUCTION OF A NEW RAILWAY CONNECTING ORISSA, CHOTA NAGPUR AND PATNA.

The Hon'ble Mr. Madhu Sudan Das:—"Sir, the next Resolution that I desire to move is:—

'That this Council recommends to the Governor General in Council that necessary measures be adopted for the construction of a new railway line to improve the communication between Orissa, Chota Nagpur and Patna, the capital of the new Province of Bihar and Orissa'

"Before I proceed, Sir, I beg to submit that, perhaps my defective knowledge of English or something else has caused me to make a mistake. I do not mean a single line of railway. What I mean to propose is the opening up of the country by railway communications, so that different parts of the Province may be linked up by several lines instead of there being only one line. Of course the Resolution, as it stands, might be misunderstood: I am sorry for it but that is what I mean. Of course I need not say much—in fact, I need not say anything—as regards the usefulness of railways in opening up the resources of a country. In the speech made by the Hon'ble the Finance Member he spoke of the value of railways in the following terms:—'I recognise fully their immense significance as an instrument of general progress, their necessity for the development of trade, their growing and indeed momentous importance to the finances of India.' Well they are not only useful to the people; they are useful also to Government. Not to open up a country is to keep the people in confinement, shutting out the light of heaven from them. Inhalation and exhalation are very necessary processes in human existence. We perform them every moment, and we could not exist for a moment without these processes; and what these processes are to the body, import and export are to a country. With inhalation we take in what we want, and with exhalation we send out what we do not want. So what we want

we import: what we do not want we export. Just as a human being cannot live without these necessary processes, so a country cannot prosper without export and import. And not only do railways promote trade, but they serve the purpose of circulation; and what circulation of blood is to the system, that railways are to the prosperity and growth of a country. If a part of the body does not share in the circulation, of course that part suffers from atrophy or paralysis; so also if the two parts of a country are not connected by communication the result is that one part must suffer. I am not pleading, Sir, for the baby Province, because all its fathers have conspired to throw it overboard; I am pleading for this from a business point of view, because if the country is opened out its resources will improve, and that is certainly a sufficient inducement to Government. We know that the Feudatory States of Orissa have not been touched. We know also that there are mines there. I was very glad to notice from the speech made by the Hon'ble Sir T. Wynne that some of the Chiefs of India have come forward with large sums to improve railway communications in their States. If that part of the country be opened up, I have no doubt that the Chiefs will contribute, at least so far as that portion of the railway line which lies within their territories is concerned. I am certain they would guarantee a certain percentage of dividend on the capital spent on that portion of the line which would pass through their States.

"There are many things there, for instance coal. Sir T. Wynne was pleased to say that the coal found there was not fit for export. As far as my information goes, the boring has been done only to a certain depth, but I was told by a person who is supposed to be an expert in such matters (I myself do not profess to understand these things) that if we bore down lower, better coal will be found. Of course I am no authority on this subject, but then there are other things there—minerals for example—which may be of use and which will certainly find a market in Europe, Japan and places like that. To develop these resources would go a long way towards developing the sources of revenue to Government.

"Of course, Sir, the Member in charge will kindly understand that I do not ask Government in this Resolution to accept any particular line, but to give a general assurance that Government will do what is necessary to open up the parts of the country; and I may mention here that Orissa was the last in railway exploiting, if I may use such an expression. It was only in 1901 that railways were, for the first time, introduced into the Province, and I am quite certain I can say that so far as the railway line between Howrah and Puri is concerned there are very few lines in India which pay so well as that line.

"I heard yesterday that there was a large scheme before the Government of India to make certain improvements of a sanitary character in the resorts of pilgrimage, and the new Province has two places of remarkable interest, Gya and Puri, which are resorted to by a very large number of pilgrims. They are a great source of income to the railway, and the Bengal Nagpur Railway I suppose derives a large income from them. But I do not know whether Sir T. R. Wynne has seen sometimes, during the car festivals, how pilgrims are packed, not in carriages, but in wagons, meant not for cattle, but for goods. Cattle are far better treated. On the continent I have seen cattle taken by rail; they are taken to be slaughtered but there is more humanity shown towards them.

"I may mention here that for years past we have heard of a line connecting Sambalpur with Cuttack, or some place in the vicinity. I understand that the line has been surveyed; that ought to open up that part of the country, and I am sure it will run through some of the Feudatory States, but nothing has been done in the matter.

"I mention this and I also beg to mention that, if I am favoured with a sympathetic reply from Government that the Government have these ideas before them, and in the near future, as opportunity offers efforts will be made to improve the railway communication in the Province, I shall withdraw the Resolution with pleasure."

The Hon'ble Sir T. R. Wynne:—"Sir, before answering the particular Resolution which the Hon'ble Member has just put forward I should like to say a word or two about the quite gratuitous excursion he has taken in the direction of the question of pilgrims being packed in wagons and the inhuman way in which he alleges they are treated. This is, I think, a very uncalled for attack. The pilgrim wants to go to Puri; he wants to go on all pilgrimages; and pilgrims have a habit of coming in huge numbers and they insist on being carried, and if you do not carry them then you would have an extremely strong complaint because they were not carried. Further when they are put in wagons every care is taken that a larger number are not put in than can travel in comfort.

"Furthermore the numbers who now go on pilgrimage largely increase year after year, and if they were treated so badly the result would be that there would not be that increase. Therefore I cannot accept in any way the Hon'ble Member's strictures as regards pilgrims.

"Now referring to this particular Resolution, I take it that what the Hon'ble Member really wants is that more railways should be made in the new Province in order to develop it. If that is the intention of his Resolution, then I can say that I most cordially agree with him. There is no doubt that there are certain parts of the new Province which are very backward in the matter of railway facilities. The trouble in connection with this Province is that in the greater part of Chota Nagpur and the portion to the north of Orissa—and mind you I am speaking from personal experience because I made the railway through the heart of Chota Nagpur and also down to Orissa—the difficulty is that it is a very barren, uncultivated country, and an extremely hilly and difficult country in which to make railways. Therefore if you make a railway there it is a long time before any return comes back. The old original Bengal Nagpur Railway, running through Chota Nagpur, took 20 years before it began to return a reasonable dividend. All the same, in relation to these railway propositions in the particular parts I have referred to in the new Province, there is no reason why, when funds are available, money should not be provided to build there and open the country out. Of course there is a certain amount of opening out going on already. The Bengal Nagpur Railway have made a line from Purulia to Ranchi, and this is being extended to Lohardagga and Palkot. These extensions will reach the heart of Chota Nagpur, but there still remains that portion of the country north of Cuttack.

"The only thing that I can say is that I fully appreciate the claim that the new Province makes for having more railways made to develop it, and I feel sure that Government will not lose sight of this claim, and when money is available the opportunity will be taken to construct lines to open up that part of the Province which most requires them."

The Hon'ble Mr. Madhu Sudan Das:—"Sir, I beg to withdraw the Resolution."

The President:—"The Resolution is, by permission, withdrawn."

RESOLUTION REGARDING SCHOLARSHIPS FOR TRAINING IN THE IMPERIAL AGRICULTURAL INSTITUTE AT PUSA.

The Hon'ble Sree P. Rama Rayaningar Venkataranga Bahadur:—"Sir, the Resolution standing in my name is in these terms:—

'That this Council recommends to the Governor General in Council that, with a view to popularise knowledge of scientific agriculture in the country, at least one scholarship of the annual value of Rs. 1,200 out of the recurring annual grants for Education, be created for each province, tenable by sons of landholders who have decent home farms of their own, for training in the Imperial Agricultural Institute at Pusa.'

"The Resolution recommends the appropriation of a portion of the recurring annual Imperial grant for education in the interests of higher agricultural education,—for dissemination of scientific agricultural knowledge among

a class of people who would turn it to the best account. This subject of scientific agriculture has engaged the attention of Government about a quarter of a century; evidence of increased official interest in it is found on all hands. Thanks to the initiative of Government, agricultural improvement has come to occupy its legitimate place of prominence in the thoughts of the people. It should therefore be a matter of satisfaction to Government that a Resolution directly bearing upon it is moved to-day in the premier Council of the land by a non-official Member. Agricultural education has acquired the dignity of an Imperial question even in popular estimation.

"Sir, Government efforts in this direction have been unremitting. Since the memorable Orissa Famine of 1866, Government have been anxious to ascertain the practical lines of development in Indian agriculture. Each succeeding famine has only stimulated Government action. Investigation has followed investigation until, under expert advice, agricultural inquiry has been systematised, and a special department has been created in each province to ensure regularity and co-ordination in it. Numerous conferences have been held all over the country, and their reports have been carefully and sympathetically considered by the Government of India. The services of the Consulting Chemist to the Royal Agricultural Society were engaged in 1889 for a thorough scientific examination of the whole position. Sir, Dr. Voelekar's mission is a landmark in the agricultural history of India. His conclusions, coinciding in material particulars with those of the Famine Commission of 1878, have informed and inspired the subsequent Government policy.

"Sir, the past fifty years' record of Government action is thus one of necessary and invaluable spadework. We have got through the preliminaries and have gone one step further. The foundations have been laid for agricultural education, both theoretical and practical. An Imperial Institute for higher scientific education and agricultural research has been established at Pusa at a recurring annual charge of four lakhs of rupees. The existing colleges have been overhauled, and new colleges established; but all this has been a recent growth, the practical influence of which has been little felt. Hon'ble Members will recollect that Dr. Voelekar insisted in 1893 upon agricultural education—high, secondary and primary—as one of the first conditions of agricultural success and improvement. Workable institutions have, however, been established within only the last seven years, after a lull of twelve years. So late as 1905 Lord Curzon gave an impetus to agricultural education. The time has been too short for any important practical results, but for the attainment of such results Government would be well advised to devise means to attract the agricultural classes to these agricultural schools and colleges. In view of the social and economic conditions of India, the expectation is not justified that the training of the non-agricultural classes will be of much practical value. At the same time the fact may be faced that the cultivating classes will not go beyond the primary, or it may be, secondary agricultural schools; it is the landholding classes who, at least for a long time to come, must supply students to these agricultural colleges and the Imperial Institute at Pusa, if these are at all to produce their normal economic effect on the agriculture of the country. But the Indian landholder is thoroughly conservative in his ideas and ways, and is slow to profit by the educational facilities provided by an enlightened Government. This class must therefore be attracted by special inducements into the agricultural colleges and ultimately into the Imperial Institute for study in the higher branches of the subject. The Imperial Government can only be approached on the subject of the policy which Provincial Governments should adopt, specially in regard to landholders having cultivation of their own. In my humble opinion, the cause of agricultural improvement will gain much by Government attracting into the agricultural colleges by special inducements young landholders. They will return to their farms with new and improved ideas of cultivation which will in time revolutionise the agricultural methods of the neighbourhood. They will in fact be missionaries in the cause. Correct notions of scientific agriculture will easily spread among agriculturists through these young graduates demonstrating their practical utility on their own farms. The Resolution accordingly recommends the creation of scholarships tenable

134391

by this class. This inducement of scholarships is necessary only in the initial stages. The time will come when landholders' sons would flock to the agricultural colleges for the requisite scientific knowledge without the artificial stimulus of scholarships, but it is distant yet.

"Sir, it may be argued that landholders should be able to pay all the expenses of the higher agricultural education of their sons. Scholarships for their support while at college create a diversion of the public funds which is prejudicial to the interests of the poor. The answer is that the conservatism of the class has to be broken through before they will spend their own money for the agricultural education of the younger members. We shall have to wait long for this consummation, and meanwhile the country will not derive the maximum of good from the agricultural institutions. So long as the landholding classes do not introduce scientific agriculture on their farms the chances of a general agricultural improvement are little. The landholder must do the pioneer work. He is both the capitalist and the leader of the rural population. A great deal therefore depends upon his initiative and example. The sooner this landholding class is initiated into the principles and methods of scientific agriculture the better for the country. The money spent on the agricultural education of this class will accordingly be well spent. The diversion is thus not prejudicial to the larger interests of the community. The Government of India, in consultation with the Provincial Governments, can determine the number and the value of the suggested scholarships. The impulse must come from the Government of India, and Provincial Governments will readily adopt the policy indicated by that Government. Such scholarships will provide an effective incentive to the landed classes, and there will not be a dearth of trained agriculturists in the country.

"Sir, the importance of scientific agriculture in an agricultural country like India cannot be overrated. Agriculture is the main source of the State revenue and the mainstay of the people. Fully 80 per cent. of the people depend upon the land for a living. With the normal increase in population and the absence of industrial careers larger and larger numbers press upon the soil every year. There is need therefore in this country, if anywhere in the world, for both extensive and intensive cultivation; there is immense scope for the application of agricultural science. Sir, science applied to agriculture has produced marvellous results in the West, and agricultural science is not stationary there. Improvements are going on daily, with incalculable effects on the economic situation. At an American competition ten farmers were awarded prizes who had grown 'from 87 to 115 bushels of Indian corn to the acre.' In Florida, the average yield of marketable vegetables per acre is '445 to 600 bushels of onion, 400 bushels of tomatoes and 700 bushels of sweet potatoes.' In M. Dessprez's experiment in wheat culture '600 grains were obtained on the average from each grain.' Professor Grandeau, after a series of experiments on the lines of Major Hallet concluded 'that under proper treatment 2,000 and even 4,000 grains could be easily obtained from every planted grain.' On the other hand, according to the Government of India's Fourth Resolution on Agriculture, 'the value of wheat annually destroyed by the weevil alone is estimated at some crores of rupees.' The time may thus come, if we do not learn and apply the most up-to-date agricultural methods, when India, the granary of the East, will have to depend for her wheat and, for the matter of that, her grain supply upon the progressive West, with the inevitable consequence that millions of people would be thrown out of employment and Government revenue will seriously suffer. We lack even a rudimentary knowledge. The Hon'ble Sir Robert Carlyle, in his very interesting speech yesterday, referred to the waste of canal water caused by the cultivator's ignorance of his requirements. There is need for improvement in almost every direction connected with our agriculture and the industries dependent upon agriculture. Western methods are sure to produce here the same satisfactory results. In the United Provinces a simple experiment in 1885 at an outlay of R3,000 only converted in the course of ten years a waste area 'a net work of ravines affording grazing of the poorest description' into a valuable property yielding an annual income of R1,000. In

the Bombay Presidency the labours of the imported Swiss expert were crowned with even greater success. But these two experiments were in connected departments and not in agriculture proper. Multiplication of instances are, however, superfluous. The great need is high class agricultural education among men who can put it to practical use. And as an important step towards the spread of this instruction these scholarships will be found valuable.

"With these remarks I commend the Resolution to the Council."

The Hon'ble Maharaja Manindra Chandra Nandi :—"Sir, I have pleasure in supporting the Resolution moved by the Hon'ble Mr. Rayaningar. The Agricultural Institute at Pusa and the other agricultural schools and colleges in other provinces have been established with the avowed object of promoting and popularising the knowledge of scientific agriculture in the country, and the suggestion of founding scholarships tenable in these institutions by sons of landholders who have home farms of their own appears to be an eminently reasonable and practical one. It is too early yet to express any opinion on the advantages that have accrued from the various agricultural institutes and colleges, but the Institute at Pusa has been doing valuable work in the fields of experiment and inquiry and the bulletins and other publications issued periodically by that Institute are as informing as they are useful. In order, however, that the labours of these institutions should bear fruit, it is necessary that the instruction imparted at agricultural schools and colleges should be carried out in actual practice in the farm and the field. The establishment of such stipends as is proposed in the Resolution before the Council will attract young men who are likely to make use of the knowledge they acquire in introducing improved methods of farming, and thereby stimulating the introduction of such methods among neighbouring landholders and the better class of farmers. I believe this proposal will have the support of Local Governments and the heads of the Education Department in the various Provinces, and I accordingly commend the Resolution to the acceptance of the Council."

The Hon'ble Rai Sita Nath Roy Bahadur :—"Sir, I beg to express myfull sympathy with the Resolution moved by my Hon'ble friend. Considering that agriculture is the greatest industry of India, and that nearly 85 per cent. of its population of 300 millions are entirely dependent for their food on agriculture, it is of the utmost importance that every encouragement should be shown to the landholding classes to acquire a scientific training in agriculture.

"I am fully aware that an Agricultural College exists at Pusa, and that numerous demonstration farms have been started in different parts of the country; but the information they publish is rarely available to the people in the interior, and hardly ever reaches the agriculturists themselves. It is therefore of the utmost importance that every encouragement should be shown to the improvement of agriculture by scientific methods in India where it is at present confined to the most primitive methods and the best instruments of agriculture are bullocks and buffaloes. Under these circumstances I hope that considering the modest nature of the request made in this Resolution, which will cost only a few thousand rupees, the Government will accept it."

The Hon'ble Maharaja Ranajit Sinha of Nashipur :—"Sir, I beg to support the Resolution just now moved by my Hon'ble friend. I endorse whole-heartedly every word that has fallen from the mover of the Resolution and also from the Hon'ble Members who have supported him. India is an agricultural country, and it is necessary for the improvement of the land and for increasing the produce of crops that we should have scientific knowledge on the matter. Sir, if the landlords are trained how to improve their land by scientific methods, I think it will be conducive to the interests of both the tenants and the landlords. As the recommendation of my Hon'ble friend Mr. Rayaningar is very moderate, I hope the Government will accept the Resolution."

The Hon'ble Sir Robert Carlyle:—"Sir, I can assure the Hon'ble mover of this Resolution that he has the warm sympathy of the Government of India in his desire to encourage the study of scientific agriculture by young men who belong to families interested in the cultivation of their own lands. They are the class who are most likely to propagate quickly and with success improved agricultural methods. My Hon'ble friend will not misunderstand me if I tell him I cannot accept the Resolution in its present form. Pusa is not intended for the ordinary student, but for the advanced student who intends to devote his life to agricultural research. Few men are capable of this work and till the taste for science and especially for agricultural science is more general than is at present the case, we cannot expect to get annually from every province men of the stamp suggested by my Hon'ble friend and capable of profiting by the research training available at Pusa. It is true that at present Pusa also holds agricultural classes for scientifically untrained agriculturists, devoted to some special point in agricultural work; but these classes are for short periods and would not be suitable for scholarships.

"It appears to me that the Hon'ble Mr. Rayaningar's object would be best attained if Local Governments encourage men of the stamp he has in mind to attend their provincial agricultural colleges. If the Hon'ble Mr. Rayaningar would agree to amend his Resolution in this sense, the Government of India would be prepared to accept it and to invite Local Governments to consider the suggestion. I would suggest the following amended Resolution:

'That this Council recommends to the Governor General in Council that, with a view to popularise knowledge of scientific agriculture in the country, the Local Governments be consulted as to the advisability of giving out of the recurring grants for education scholarships tenable by the sons of landholders and zamindars in the Provincial Agricultural Colleges.'

The Hon'ble Sree P. Rama Rayaningar Venkataranga Bahadur:—"I am perfectly willing to accept the very reasonable amendment suggested by the Revenue Minister, and I am sure the object I have in view will be very easily attained by the amended Resolution. I feel deeply grateful to the Department of Agriculture and the Government for having expressed their intention to accept my Resolution, if amended, as suggested by Sir Robert Carlyle, and for their sympathetic treatment of my Resolution."

The President:—"Will the Hon'ble Member agree to a small verbal alteration in the Resolution suggested by my Hon'ble Colleague Sir Robert Carlyle—substituting for the words 'be consulted as to' the words 'be asked to consider'?"

The Hon'ble Sree P. Rama Rayaningar Venkataranga Bahadur:—"I have no objection."

The original Resolution was withdrawn, and the Resolution as amended was then put and adopted.

RESOLUTION REGARDING FORMATION OF ADVISORY BOARDS TO HELP IN ASSESSMENT OF INCOME-TAX.

The Hon'ble Sree P. Rama Rayaningar Venkataranga Bahadur:—"Sir, with your permission, I would withdraw the following Resolution with a view to moving it on a future occasion after amendment."

'That this Council recommends to the Governor General in Council that Advisory Boards composed of non-official local gentlemen nominated by the Revenue Head of the District be formed to help official assessors in the work of assessment under the Income Tax Act.'

The President:—"The Resolution is withdrawn by permission."

The Council adjourned to Tuesday, the 11th March, 1913.

W. H. VINCENT,

Secretary to the Government of India,
Legislative Department.

DELHI;
The 17th March, 1913.

Speech of the Honourable Finance Member

INTRODUCING THE

BUDGET FOR 1913-14.

I have to lay before the Council the Budget for 1913-14 in its final form. The Financial Statement which I presented on the 1st of March has since then been subjected to criticism and discussion, and as the result I think I am entitled to claim that our financial arrangements have the approval of the great majority of Hon'ble Members. We have made a further examination of the figures in the light of the latest information available and the final form which they take is shown in the statements which are in the hands of Hon'ble Members, and in the explanatory memorandum which also has been revised and brought up to date.

2. The changes in the figures which I have to describe on a comparison with those entered in the Financial Statement are few and of no great importance, and I need engage but little of the time of the Council in describing them.

3. In the year which is about to close our Imperial surplus is now likely to be £31,800 higher. In the March sale we have obtained a very high price for uncertified opium and the estimate of opium receipts is increased accordingly by £51,800. Land revenue has increased by £32,000 in consequence of very high collections in Burma, and Customs also advance. On the other hand, there has been a distinct falling off in recent weeks in railway earnings chiefly on the North-Western Railway and we have had to reduce our estimate under this head by £100,000. The provincial account shows a betterment of £54,600, nearly the whole of which has accrued under land revenue with less important alterations which practically cancel each other under other heads.

4. As regards the Budget of next year I have only to notice that the Imperial surplus has been increased by a matter of £15,100, chiefly in consequence of certain corrections proposed in the budget estimates of heads of revenue, such as excise, which are divided with Local Governments. The provincial account on the other hand is £73,400 worse than in the Financial Statement; the Local Governments of Bombay and Burma having increased their provision for expenditure on Civil Works by 11 lakhs.

5. In the matter of Ways and Means, the most important feature I have to notice is the drop which has recently taken place in Council Bills, the amount offered for sale having fallen from 80 lakhs on the 5th of March to 60 lakhs on the 12th of March and again to 50 lakhs on the 19th. The Secretary of State has in consequence reduced his estimate of drawings to £25,660,000 which is £1,400,000 less than the estimate given in the Financial Statement. In view of this decline in the drawings and of the large proportion which is likely to be drawn in telegraphic transfers instead of bills, we have reduced the estimate of probable outstandings at the end of the year by £502,000. These outstandings represent bills which have been drawn and for which we have received the money in London, and which have not been cashed by us in India. It will be obvious, therefore, that a reduction in outstandings means a deterioration of the same extent in our total balance. On the other hand, there is the improvement I have already described in our revenue account which contributes an additional £86,000 to our balances; there are lapses in capital expenditure of £251,000, and an improvement under Deposits and remittances of £122,000. On the whole therefore our closing balance for the current year is likely to be only £43,000 less than the figure which I gave in the Financial Statement. I may mention that for next year the Secretary of State has increased his estimate of drawings by £450,000, and there will be in addition a remittance Home of the same amount in light weight sovereigns. These transactions do not affect our balance as a whole; but as I have just said the opening balance will be £43,000 less, there is a deterioration in the revenue account of £58,000 and the estimate of net credits from remittances has been reduced by £131,000, so that the final figures show a closing balance for 1913-14, £232,000 less than in the Financial Statement. There are no other points which it is necessary for me to bring to notice of Hon'ble Members, and I need only add before sitting down that while there will be no discussion on the Budget to-day, it will be open to them next Monday to offer any observations on it which they think proper, without moving Resolutions or dividing the Council.

GUY FLEETWOOD WILSON.

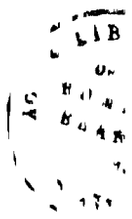
20th March 1913.

BUDGET

OF THE

GOVERNMENT OF INDIA

MARCH 1913



ACCOUNTS	1911-1912
REVISED ESTIMATES	1912-1913
BUDGET ESTIMATES	1913-1914

CONTENTS.

	PAGES
I.—GENERAL STATEMENT of the REVENUE, and EXPENDITURE charged to REVENUE, of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	108—109
II.—GENERAL STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA, and in ENGLAND	110—111
A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND	112—113
B.—STATEMENT of the EXPENDITURE charged to the REVENUES of INDIA, in INDIA and in ENGLAND	114—117
C.—STATEMENT of RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	118—121
D.—ACCOUNTS of PROVINCIAL SAVINGS charged to REVENUE, and held at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL SETTLEMENTS	122
E.—ABSTRACT STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND	123
MEMORANDUM EXPLAINING the DETAILS of the ESTIMATES	125—236
APPENDIX	237

I.—General Statement of the Revenue, and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1911-1912.	Budget Estimate, 1912-1913.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.
Revenue—					
Principal Heads of Revenue—		£	£	£	£
Land Revenue	A	20,764,697	21,276,000	21,325,700	21,373,200
Opium	„	5,961,278	3,622,000	5,114,600	1,445,000
Salt	„	3,391,212	3,427,800	3,336,700	3,405,300
Stamps	„	4,815,129	4,908,000	5,079,100	5,218,200
Excise	„	7,609,753	7,907,900	8,183,000	8,452,900
Customs	„	6,468,567	6,398,300	7,007,900	6,832,800
Other Heads	„	5,194,604	5,217,800	5,452,400	4,925,800
TOTAL PRINCIPAL HEADS	...	54,205,240	52,757,800	55,499,400	51,683,200
Interest	A	1,448,741	1,227,300	1,463,900	1,287,300
Post Office	„	2,134,279	2,218,900	2,259,500	2,360,800
Telegraph	„	1,087,425	1,065,100	1,142,000	1,191,800
Mint	„	367,100	205,700	532,000	240,600
Receipts by Civil Departments	„	1,238,131	1,226,600	1,300,000	1,296,300
Miscellaneous	„	813,076	552,400	713,100	589,200
Railways: Net Receipts	„	15,891,725	14,540,200	18,117,400	17,623,500
Irrigation	„	3,980,052	3,921,100	4,362,900	4,403,900
Other Public Works	„	326,924	320,900	315,600	286,900
Military Receipts	„	1,343,057	1,318,000	1,346,600	1,361,000
TOTAL REVENUE	...	82,835,750	79,354,000	87,052,400	82,324,500

DELHI,
FINANCE DEPARTMENT,
March 20th, 1913.

W. D. WOOLLAM,
Offg. Deputy Comptroller General.

Revenue, of the Government of India, in India, and in England.

	For details, vide Statement.	Accounts, 1911-1912.	Budget Estimate, 1912-1913.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	8,670,174	8,856,800	8,731,900	9,469,700
Interest	„	2,037,735	2,045,200	1,807,900	1,310,000
Post Office	„	2,008,470	2,049,200	2,036,400	2,057,200
Telegraph	„	1,093,934	1,094,500	1,121,100	1,231,000
Mint	„	116,507	101,400	142,300	103,700
Salaries and Expenses of Civil Departments	„	16,466,166	17,477,300	16,716,500	19,424,100
Miscellaneous Civil Charges	„	4,898,823	4,908,100	4,940,400	5,087,000
Famine Relief and Insurance	„	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	„	12,103,955	12,518,300	12,601,300	13,071,200
Irrigation	„	3,174,883	3,314,000	3,291,200	3,564,600
Other Public Works	„	5,454,048	5,655,200	6,213,800	6,584,500
Military Services	„	20,901,637	20,412,500	20,982,000	21,007,800
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	...	77,926,332	79,433,400	79,584,800	83,910,800
Add—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.	End of B	1,414,027	...	4,073,900	...
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	*444,943*	*1,557,700*	...	*2,912,600*
TOTAL EXPENDITURE CHARGED TO REVENUE	...	78,895,416	77,875,700	83,658,700	80,998,200
SURPLUS	...	3,940,334	1,478,300	3,393,700	1,326,300
TOTAL	...	82,835,750	79,354,000	87,052,400	82,324,500

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts.			
		Accounts, 1911-1912.	Budget Estimate, 1912-1913.	Revised Estimate, 1912-1913.	Budget Estimate 1913-1914.
		£	£	£	£
Surplus	C	3,940,334	1,478,300	3,393,700	1,326,300
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised and deposited by Railway Companies (net)	„	17,497	1,965,600	565,600	3,160,900
Debt, Deposits, and Advances—					
Permanent Debt (net incurred)	C	1,823,173	2,931,100	2,937,000	131,500
Unfunded Debt (net incurred)	„	1,815,193	1,318,700	1,741,400	1,501,400
Deposits and Advances (net)	„	2,209,480	...	4,736,900	...
Loans and Advances by Imperial Government (net Repayments)	„	201,914	...	187,600	13,100
Loans to Local Boards for Railway Construction	„	6,583	6,900	6,900	7,100
Remittances (net)	„	49,524	3,400	161,600	...
Secretary of State's Bills drawn	„	25,070,216	15,500,000	25,660,000	21,650,000
TOTAL RECEIPTS	...	35,133,914	23,204,000	39,440,700	27,790,300
Opening Balance—India	...	13,566,922	11,808,222	12,279,689	19,543,889
England	...	(a) 18,174,349	19,395,949	(a) 19,463,723	(a) 9,377,923
TOTAL	...	66,875,185	54,408,171	71,184,112	56,712,112

(a) Include balances of the Gold Standard Reserve as shown

W. D. WOOLLAM,

Offg. Deputy Comptroller General.

DELHI,
FINANCE DEPARTMENT;
March 20th, 1913.

Government of India, in India and in England.

	For details, vide Statement.	Disbursements. Accounts, 1911-1912.	Budget Estimate, 1912-1913.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.
Railway, Irrigation and other Capital not charged to Revenue—		£	£	£	£
Outlay on Irrigation Works	C	1,536,531	1,415,500	1,441,800	1,466,700
Outlay on State Railways	„	6,981,384	7,836,700	8,942,000	10,113,400
Initial outlay on new Capital at Delhi	„	4,992	1,333,300	111,900	1,333,300
Outlay of Railway Companies (net)	„	986,530	1,319,500	1,195,000	2,048,300
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	9,509,437	11,905,000	11,690,700	14,961,700
Debt, Deposits and Advances—					
Temporary Debt (net Discharged)	C	500,000	4,500,000	4,500,000	...
Deposits and Advances (net)	„	...	1,184,300	...	2,248,700
Loans and Advances by Imperial Government (net Advances)	„	...	165,400	...	...
Loans and Advances by Provincial Governments (net Advances)	„	193,155	240,000	196,900	125,900
Remittance (net)	...	...	...	...	68,100
Secretary of State's Bill paid	„	24,929,181	15,769,000	25,874,700	21,650,000
TOTAL DISBURSEMENTS	...	35,131,773	33,763,700	42,262,300	39,054,400
Closing Balance—India	...	12,279,689	12,868,022	19,543,889	12,546,689
England	...	19,463,723 (a)	7,776,449	9,377,923 (a)	5,111,023 (a)
TOTAL	...	66,875,185	54,408,171	71,184,112	56,712,112

(a) See the notes on pages 716 and 717.

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
Secretary to the Government of India.

A.—Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1911-1912. INDIA (RUPEE FIGURES) Imperial.	INDIA (RUPEE FIGURES) Provincial.	Total India (converted into £ at 15 = £1).	England.	TOTAL.	REVISED INDIA. (RUPEE FIGURES). Imperial.	Provincial.
Principal Heads of Revenue	₹	₹	£	£	£	₹	₹
I. Land Revenue	11,53,67,139	19,61,04,317	20,764,697	...	20,764,697	7,43,43,000	24,55,42,000
II.—Opium	8,94,19,170	...	5,961,278	...	5,961,278	7,67,18,000	...
III.—Salt	5,08,68,180	...	[illegible] 91,212	...	[illegible] 91,212	5,00,51,000	...
IV. Stamps	3,66,4[illegible],120	3,55,83,820	[illegible]17,1[illegible]9	...	4,815 1[illegible]9	3,87 04,000	3,74,83,000
V.—Excise	[illegible]9,35,352	8,02,10,933	7,[illegible]09,75[illegible]	...	7,[illegible]09,75[illegible]	3,47,51,000	8,79,94,000
VI.—Provincial Rates	1[illegible],592	82,16,603	548,680	...	548,680	21,[illegible]00	8[illegible],38,000
VII.—Customs	9,70,28,499	...	6,468,567	...	6,4[illegible]8,567	10,51,19,000	...
VIII.—Assessed Taxes	1,[illegible],86,719	1,11,06,662	1,652,878	...	1,65[illegible],878	1,43,0[illegible],000	1,16,09,000
IX.—Forest	10,38,2[illegible]9	2,82,41,480	1,952,179	...	1,952,179	9,76,000	3,02,[illegible]7,000
X.—Registration	67,394	66,20,543	445,862	...	445,862	79,000	71,40,000
XI.—Tributes from Native States	89,25,074	...	595,005	...	595,005	90,[illegible]3,000	...
TOTAL	44,69,92,248	36,60,86,358	54,205,240	...	54,205,240	40,41,08,000	42,83,83,000
XII.—Interest	1,04,88,928	43,87,150	991,739	457,002	1,448,741	1,07,04,000	42,62,000
XIII.—Post Office	3,20,14,179	...	2,134,279	...	2,134,279	3,38,92,000	...
XIV.—Telegraph	1,62,36,543	...	1,082,436	4,989	1,087,425	1,70,37,000	...
XV.—Mint	55,04,452	...	366,963	137	367,100	79,8[illegible],000	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	2,9[illegible],643	45,64,247	323,6[illegible]0	...	323,600	2,35,000	49,15,000
XVI.—Law and Justice { Jails	3,75,083	34,[illegible]5,232	25[illegible],[illegible]54	...	25[illegible],[illegible]54	3,7[illegible],000	33,59,000
XVII.—Police	59,50[illegible]	17 81,559	12[illegible],7 8	...	122,7 8	61,000	19,84,000
XVIII.—Ports and Pilotage	...	22,76,052	151,7[illegible]7	...	151,7[illegible]7	...	23,[illegible]8,000
XIX.—Education	44,9[illegible]6	30,39,247	205, 10	...	205, 10	50,[illegible]00	32,40,000
XX.—Medical	7,658	9,82,168	65,988	859	6[illegible],817	9,000	11,97,000
XXI.—Scientific and other minor departments	2,75,801	14,22,[illegible]08	113,187	998	114,185	2,43,000	14,40,[illegible]00
TOTAL	10,5[illegible],597	1,74,90,513	1,2[illegible]6,274	1,857	1,238,131	9,74,000	1,85,03,000
Miscellaneous—							
XXII.—Receipts in aid of Superannuation	12,36,643	7,84,623	134,751	66,719	201,470	12,60,000	8,11,000
XXIII.—Stationery and Printing	6[illegible],[illegible]71	7,91,[illegible]91	96,891	...	9[illegible],891	6,33,000	7,95,[illegible]00
XXIV.—Exchange	15,85,457	...	105, 97	...	105,697	16,39,000	...
XXV.—Miscellaneous	25,34,016	30,50,54[illegible]	372,[illegible]04	36,714	4[illegible]9,018	15,16,000	28,68,000
TOTAL	80,17,787	46,26,830	7[illegible]9,643	103,433	813,076	50,48,000	44,74,000
Railways—							
XXVI.—State Railways (Gross Receipts)	50,35,[illegible]7,021	1,1[illegible],4[illegible]5	33,578,899	230	33,579,129	55,43,90,000	1,10,000
Deduct:—Working Expenses	*25,88,61,617*	*84,107*	*17,263,048*	...	*17,263,048*	*27,39,12,000*	*88,000*
Surplus profits paid to Companies, etc.	*72,30,008*	...	*482,001*	...	*482,001*	*98,19,000*	...
Net Receipts	23,74,75,[illegible]96	32,358	15,8[illegible]4,850	230	15,834,080	27,06,59,000	22,000
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	1,92,296	...	12,820	44,825	57,645	2,14,000	...
TOTAL	23,76,67,[illegible]92	32,358	15,84[illegible],670	45,055	15,891,725	27,08,73,000	22,000
Irrigation—							
XXIX.—Major Works: Direct Receipts	1,47,35,150	2,09,87,838	2,381,533	...	2,381,533	1,66,61,000	2,24,24,000
Portion of Land Revenue due to Irrigation	1,10,88,126	91,83,851	1,[illegible]51,4[illegible]5	...	1,351,465	1,22,52,000	1,03,38,000
XXX.—Minor Works and Navigation	13,91,829	23,13,980	247,054	...	247,054	14,16,[illegible]00	23,52,000
TOTAL	2,72,15,105	3,24,85,669	3,980,052	...	3,980,052	3,03,29,000	3,51,14,000
Other Public Works—							
XXXI.—Civil Works	10,53,848	38,50,619	326,924	...	326,924	7,86,000	39,48,000
Military Receipts—							
XXXII.—Army: Effective	92,45,431	...	616,862	444,668	1,061,030	1,11,00,000	...
Non-Effective	12,45,992	...	83,066	35,270	118,336	12,78,000	...
	1,04,91,423	...	699,428	479,938	1,179,366	1,23,78,000	...
XXXIII.—Marine	12,73,487	...	84,900	...	84,900	13,17,000	...
XXXIV.—Military Works	11,81,866	...	78,791	...	78,791	11,00,000	...
TOTAL	1,29,46,776	...	863,119	479,938	1,343,057	1,47,95,000	...
TOTAL REVENUE	79,71,91,155	42,89,58,927	81,743,339	1,092,411	82,835,750	79,65,26,000	49,47,06,000

India, in India and in England.

ESTIMATE, 1912-1913.			Increase + Decrease − as compared with Budget Estimate, 1912-13.	BUDGET ESTIMATE, 1913-14.					Increase + Decrease − of Budget, 1913-1914, as compared with Budget Estimate 1912-1913.	Increase + Decrease − of Budget, 1913-1914, as compared with Revised Estimate, 1913-1913.
				INDIA. (RUPEE FIGURES.)						
Total India (converted into £ at R15=£1).	England.	TOTAL.		Imperial.	Provincial.	Total India (converted into £ at R1 =£1).	England.	TOTAL		
£	£	£	£	₹	₹	£	£	£	£	£
21,325,700	...	21,325,700	+49,700	12,53,99,000	19,51,99,000	21,373,200	...	21,373,200	+97,200	+47,500
5,114,600	...	5,114,600	+1,49,600	2,1[illegible],000	...	1,445,000	...	1,445,000	−2,177,600	−3,669,600
3,336,700	...	3,336,700	−91,100	5,1[illegible],000	...	3,405,300	...	3,405,300	−22,500	+8,700
5,079,100	...	5,079,100	+171,100	3,95,2[illegible],000	3,84,48,000	5,218,200	...	5,218,200	+310,000	+139,100
8,18[illegible],000	...	8,183,000	+275,100	3,61,00,000	9,01,93,000	8,152,900	...	8,429,000	+545,000	+269,900
557,700	...	557,700	+6,700	18,000	4,17,000	28,700	...	28,700	−521,700	−528,600
7,007,900	...	7,007,900	+69,600	10,29,42,000	...	6,862,800	...	6,862,800	+464,000	−145,100
1,7[illegible],300	...	1,757,300	+81,900	1,[illegible],72,000	1,18,00,000	1,758,200	...	1,758,200	+112,800	+30,900
2,08[illegible],500	...	2,083,500	+109,000	10[illegible],1,000	2,94,3[illegible],000	2,079,800	...	2,079,800	+75,000	−53,700
481,300	...	481,300	+7,700	90,000	72,8[illegible],000	491,900	...	491,900	+48,300	+10,600
603,000	...	603,000	−100	92,58,000	...	617,200	...	617,200	+13,800	+4,200
55,499,400	...	55,499,400	+2,741,800	40,19,70,000	37,32,78,000	51,683,200	...	51,683,200	−1,074,600	−3,816,200
997,700	466,200	1,463,900	+236,600	1,01,20,000	43,27,000	1,017,100	270,200	1,287,300	+60,000	−176,600
2,279,500	...	2,279,500	+40,700	3,54,12,000	...	2,360,800	...	2,360,800	+141,900	+101,300
1,135,800	6,200	1,142,000	+76,900	1,78,01,000	...	1,187,800	5,000	1,191,800	+126,700	+49,800
532,000	...	532,000	+326,300	36,09,000	...	240,600	...	240,600	+34,900	−291,400
343,300	...	343,300	+21,600	2,62,000	48,30,000	339,500	...	339,500	+17,800	−3,800
249,000	...	249,000	−500	3,94,000	33,71,000	251,000	...	251,000	+1,500	+2,000
136,300	...	136,300	+28,800	61,000	17,9[illegible],000	124,000	...	124,000	+16,500	−12,300
157,900	...	157,900	+11,700	...	23,[illegible]8,000	1[illegible],900	...	159,900	+13,700	+2,000
219,300	...	219,300	+6,600	59,000	34,02,000	2[illegible],700	...	230,700	+18,000	+11,400
80,400	800	81,200	+15,900	10,000	10,84,000	72,900	700	73,600	+8,300	−7,600
112,200	800	113,000	−10,700	1,80,000	15,71,000	115,800	800	117,600	−6,100	+4,600
1,298,400	1,600	1,300,000	+73,400	9,69,000	1,84,52,000	1,294,800	1,500	1,296,300	+69,700	−3,700
138,100	63,100	201,200	+2,100	12,[illegible],000	8,68,000	142,100	64,600	206,700	+7,000	+5,500
95,200	...	95,200	+200	[illegible],29,000	7,85,000	94,[illegible]00	...	94,300	−700	−900
109,300	...	109,300	+109,300	5,00,0[illegible],00	...	33,300	...	33,300	+333 0	−76,000
292,200	15,200	307,400	+49,400	1[illegible],44,000	21,5[illegible],000	234,100	21,800	254,900	−3,400	−52,500
634,800	78,300	713,100	+160,700	37,36,000	38,06,000	502,800	86,400	589,200	+36,800	−123,900
36,936,600	200	36,936,800	+4,39[illegible],900	55,11,90,000	1,10,000	36,753,300	200	36,753,500	+4,186,600	−213,300
18,266,600	...	*18,266,600*	−599,900	*28,27,62,000*	*87,000*	*18,816,600*	...	*18,816,600*	−1,149,900	−550,000
654,600	...	*654,600*	−243,700	*59,70,000*	...	*398,000*	...	*398,000*	+3,100	+256,600
18,045,400	200	18,045,600	+3,556,500	26,30,78,000	23,000	17,538,700	200	17,538,900	+3,046,800	−503,700
14,300	57,500	71,800	+20,700	2,19,000	...	14,[illegible]00	70,000	84,600	+33,500	+12,800
18,059,700	57,700	18,117,400	+3,577,200	26,32,77,000	23,000	17,553,300	70,200	17,623,500	+3,083,300	−493,900
2,605,700	...	2,605,700	+313,200	1,66,32,000	2,26,51,000	2,619,500	...	2,619,500	+327,000	+13,800
1,506,000	...	1,506,000	+121,700	1,24,35,000	1,05,10,000	1,529,700	...	1,529,700	+145,400	+26,700
251,200	...	251,200	+6,900	14,58,000	23,62,000	254,700	...	254,700	+10,400	+3,500
4,362,900	...	4,362,900	+441,800	3,05,25,000	3,55,33,000	4,403,900	...	4,403,900	+482,800	+41,000
315,600	...	315,600	−5,300	5,20,000	37,84,000	286,900	...	286,900	−34,000	−28,700
740,000	324,300	1,064,300	+21,700	1,09,74,000	...	731,600	330,[illegible]00	1,062,200	+19,600	−2,100
85,[illegible]00	36,000	121,200	+8,900	12,97,000	...	86,500	38,000	124,500	+12,200	+3,300
825,200	360,300	1,185,500	+30,600	1,22,71,000	...	818,100	368,600	1,186,700	+31,200	+1,200
87,800	...	87,800	−3,300	14,74,000	...	98,[illegible]00	...	98,300	+7,200	+10,500
73,300	...	73,300	+1,300	11,40,000	...	76,000	...	76,000	+4,000	+2,700
986,300	360,300	1,346,600	+28,600	1,48,85,000	...	992,400	368,600	1,361,000	+43,000	+14,400
86,082,100	970,300	87,052,400	+7,698,400	78,36,35,000	43,92,03,000	81,522,600	801,900	82,324,500	+2,970,500	−4,727,900

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1911-1912.					REVISED
	INDIA. (RUPEE FIGURES).		Total India (converted into £ at ₹ 15=£1).	England.	TOTAL.	INDIA. (RUPEE FIGURES).	
	Imperial.	Provincial.				Imperial.	Provincial.
Direct Demands on the Revenues—	₹	₹	£	£	£	₹	₹
1.—Refunds and Drawbacks	36,79,617	13,54,531	335,610	...	335,610	33,83,000	13,63,000
2.—Assignments and Compensations	81,92,300	1,01,31,423	1,221,581	...	1,221,581	81,94,000	1,02,04,000
Charges in respect of Collection, *viz.* :—							
3.—Land Revenue	40,90,099	5,26,76,175	3,784,418	2,036	3,786,454	41,19,000	5,45,34,000
4.—Opium (including cost of Production)	1,09,17,776	...	727,852	1,600	729,452	90,24,000	...
5.—Salt (including cost of Production)	55,16,410	...	367,761	729	368,490	56,29,000	...
6.—Stamps	−4,55,888	11,19,765	44,259	89,931	134,190	−2,72,000	11,92,000
7.—Excise	21,39,573	41,47,535	419,142	111	419,253	21,09,000	44,07,000
8.—Provincial Rates	...	85,418	5,695	...	5,695	...	91,000
9.—Customs	37,53,695	...	250,243	467	250,713	38,96,000	...
10.—Assessed Taxes	2,13,525	2,10,648	28,278	...	28,278	2,22,000	2,17,000
11.—Forest	9,20,585	1,61,19,705	1,136,019	6,183	1,142,202	9,44,000	1,66,75,000
12.—Registration	20,348	37,03,481	248,256	...	248,256	24,000	36,98,000
TOTAL	3,89,88,040	8,95,48,711	8,569,117	101,057	8,670,174	3,72,72,000	9,23,81,000
Interest—							
13.—Interest on Debt	3,66,31,245	1,22,62,602	3,259,590	6,022,639	9,282,229	3,70,12,000	1,29,88,000
Deduct—Amounts chargeable to Railways†	*4,56,26,525*	...	*3,041,768*	*3,622,442*	*6,664,210*	*4,97,64,000*	...
" Amounts chargeable to Irrigation	*66,69,010*	*93,25,070*	*1,066,272*	*116,595*	*1,182,867*	*74,74,000*	*99,83,000*
Remainder chargeable on Ordinary Debt	−1,56,64,290	29,37,532	−848,450	2,283,602	1,435,152	−2,02,26,000	30,05,000
14.—Interest on other obligations	90,38,751	...	602,583	...	602,583	99,14,000	...
TOTAL	−66,25,539	29,37,532	−245,867	2,283,602	2,037,735	−1,03,12,000	30,05,000
15.—Post Office	2,93,03,231	...	1,953,549	54,921	2,008,470	2,97,25,000	...
16.—Telegraph	1,36,53,986	...	910,266	183,668	1,093,934	1,41,29,000	...
17.—Mint	16,63,540	...	110,903	5,604	116,507	20,28,000	...
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,70,71,107	1,56,86,466	2,183,838	442,403	2,626,241	1,03,45,000	1,28,57,000
19.—Law and Justice { Courts	9,30,457	4,37,52,444	2,978,860	3,136	2,981,996	10,30,000	4,39,23,000
19.—Law and Justice { Jails	18,29,614	1,08,11,372	842,732	...	842,732	18,93,000	1,12,84,000
20.—Police	30,02,378	6,60,17,209	4,601,303	1,671	4,602,977	31,56,000	6,66,21,000
21.—Ports and Pilotage	...	27,24,663	181,644	46	181,690	...	27,85,000
22.—Education	7,12,380	2,94,47,531	2,010,651	10,528	2,021,189	15,30,000	3,71,62,000
23.—Ecclesiastical	18,62,747	...	124,183	305	124,488	18,80,000	...
24.—Medical	8,31,604	1,63,26,671	1,143,885	11,605	1,155,490	27,56,000	1,75,97,000
25.—Political	1,27,54,099	16,21,737	978,389	9,769	988,158	1,28,75,000	20,26,000
26.—Scientific and other Minor Departments	69,16,326	71,44,882	937,414	23,791	961,205	58,74,000	84,90,000
TOTAL	4,59,10,712	19,35,32,975	15,962,912	503,254	16,466,166	4,13,39,000	20,27,45,000
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	32,39,416	...	215,961	11,100	227,061	31,91,000	...
28.—Civil Furlough and Absentee Allowances	19,597	...	1,307	424,435	425,742	1,[illegible],000	...
29.—Superannuation Allowances and Pensions	12,51,974	1,59,[illegible],891	1,14[illegible],924	2,040,495	3,187,420	13,70,000	1,66,95,000
30.—Stationery and Printing	10,92,392	73,79,431	504,788	104,903	669,691	10,74,000	77,37,000
32.—Miscellaneous	9,62,113	43,47,8[illegible]	353,996	34,913	388,909	11,83,000	34,19,000
TOTAL	65,64,492	2,76,80,150	2,282,976	2,615,847	4,898,823	68,34,000	2,78,51,000
Famine Relief and Insurance—							
33.—Famine Relief	17,14,503	—100	114,293	...	114,293	29,30,000	...
34.—Construction of Protective Railways	4,37,689	...	29,179	15,096	44,275	4,35,000	...
35.—Construction of Protective Irrigation Works	56,83,204	...	378,881	4,584	383,465	60,87,000	...
36.—Reduction or Avoidance of Debt	31,19,505	37,50,000	457,967	...	457,967	14,68,000	37,50,000
TOTAL	1,09,54,901	37,49,900	980,320	19,680	1,000,000	1,09,20,000	37,50,000
Carried over	14,04,13,363	31,74,49,268	30,524,176	5,767,633	36,291,809	13,19,35,000	32,97,32,000

	ACCOUNTS, 1911-1912.				REVISED ESTIMATE, 1912-1913.			
	INDIA.		England.	TOTAL.	INDIA.		England.	TOTAL.
	Amount in Rupees.	Equivalent in £ at ₹15=£1.			Amount in Rupees.	Equivalent in £ at ₹15=£1.		
†Included under the following heads :—	₹	£	£	£	₹	£	£	£
State Railways—Interest on Debt	4,24,81,923	2,832,128	3,443,942	6,279,070	4,63,50,000	3,090,000	3,608,800	6,698,800
Ditto —Interest chargeable against Companies on Advances	31,44,602	209,640	175,500	385,140	34,14,000	227,600	175,500	403,100
TOTAL	4,56,26,525	3,041,768	3,622,442	6,664,210	4,97,64,000	3,317,600	3,784,300	7,101,900

Revenues of India, in India and in England.

ESTIMATE, 1912-1913.			Increase + Decrease − as compared with Budget Estimate, 1912-1913.	BUDGET ESTIMATE, 1913-1914.					Increase + Decrease − of Budget, 1913-1914, as compared with Budget Estimate, 1912-1913.	Increase + Decrease − of Budget, 1913-1914, as compared with Revised Estimate, 1912-1913.
Total India (converted into £ at R15 = £1).	England.	Total.		India Rupee (Figures). Imperial	Provincial.	Total India converted into £ at R15 = £1.	England.	Total.		
£	£	£	£	R	R	£	£	£	£	£
316,400	...	316,400	+41,200	39,11,000	18,78,000	39,17,30	...	39,17,500	+29,100	−14,900
1,226,500	...	1,226,500	−1,700	81,99,000	1,03,55,000	1,23,53,0	...	1,23,53,000	+8,500	+9,800
3,910,200	2,000	3,912,200	−56,600	4,[illegible],000	5,56,71,000	4,021,000	1,300	4,026,200	+58,000	+114,000
601,000	400	602,000	−85,700	1,7[illegible],000	...	1,[illegible]5,000	400	1,13[illegible],400	+44,700	+533,400
375,300	900	376,200	−700	3[illegible],000	...	377,100	1,500	378,600	+1,700	+2,400
61,300	80,000	141,300	−13,700	−14[illegible],000	12,24,000	72,100	91,600	163,700	+8,400	+22,400
434,400	...	434,400	+400	21,71,000	46,10,000	452,[illegible]00	...	452,300	+18,300	+17,900
6,100	...	6,100	+200	...	...	...	...	...	−5,900	−6,100
259,800	200	260,000	+4,000	40,00,000	...	2[illegible]6,900	100	2[illegible]7,000	+11,000	+7,000
29,[illegible]00	...	29,[illegible]00	−[illegible]00	2,[illegible]9,000	2,3[illegible],000	3[illegible],400	...	31,400	+1,800	+2,100
1,174,[illegible]00	4,800	1,179,400	−17,800	12,8[illegible],000	1,70,14,000	1,220,000	4,600	1,224,600	+27,400	+45,200
248,[illegible]00	...	248,100	+[illegible]200	21,[illegible]00	37,[illegible]4,000	25[illegible],700	...	25[illegible],700	+6,800	+4,000
8,643,600	88,300	8,731,900	−121,900	4,[illegible]4,05,000	9,41,48,000	9,370,[illegible]00	99,500	9,469,700	+612,900	+737,800
3,333,400	6,204,100	9,537,500	−37,600	3,80,85,000	1,[illegible]4,15,000	3,43[illegible],[illegible]00	5,912,800	9,346,100	−229,000	−191,400
3,317,600	*3,784,300*	*7,101,900*	−160,700	*5,37,06,000*	...	*3,580,400*	*3,806,800*	*7,387,200*	−446,000	−285,300
1,163,800	*124,800*	*1,288,600*	−47,100	*81,52,000*	*1,73,42,000*	*1,252,[illegible]00*	*126,900*	*1,359,800*	−118,300	−71,200
−1,148,000	2,295,[illegible]00	1,147,000	−245,100	−2,[illegible]7,73,000	30,73,000	−1,38[illegible],000	1,979,100	599,100	−793,200	−547,900
660,900	...	660,900	+8,100	1,0[illegible],61,[illegible]00	...	710,900	...	710,900	+58,100	+70,000
−487,100	2,295,000	1,807,900	−237,[illegible]00	−1,31,09,000	30,73,000	−6[illegible]9,100	1,979,100	1,310,000	−735,200	−497,900
1,981,700	54,700	2,036,400	−12,800	2,99,04,000	...	1,99[illegible],000	63,[illegible]00	2,057,200	+8,000	+20,800
941,900	179,200	1,121,100	+26,[illegible]00	1,45,96,[illegible]0	...	973,100	257,900	1,231,000	+135,500	+109,900
135,200	7,100	142,300	+40,900	14,[illegible]3,000	...	95,[illegible]00	8,100	103,700	+2,300	−38,[illegible]00
1,546,800	380,800	1,927,600	+23,600	1,01,07,000	1,28,27,000	1,548,9[illegible]0	390,000	1,938,900	+34,900	+11,300
2,996,960	3,[illegible]00	3,000,100	+23,000	11,48,000	4,[illegible],1[illegible],000	3,030,900	500	3,0[illegible]1,400	+54,300	+31,300
878,[illegible]00	...	878,500	−10,70[illegible]	19,14,000	1,14,81,0[illegible]	895,[illegible]0	...	895,100	+5,[illegible]00	+1[illegible],[illegible]00
4,651,800	1,600	4,[illegible]53,400	−7,[illegible]00	37,[illegible],9[illegible]0	7,0[illegible],12,000	4,9[illegible]8,1[illegible]0	1,500	4,9[illegible]9,[illegible]00	+278,[illegible]00	+286,200
185,700	100	185,800	+10,200	...	2[illegible],[illegible]00	1[illegible]8,900	100	199,000	+23,400	+13,200
2,579,400	10,500	2,589,900	−478,000	20,02,000	5,[illegible]0,09,000	4,[illegible]6,400	10,500	4,0[illegible]7,900	+1,010,000	+1,488,000
125,300	400	125,700	−6,200	19,[illegible]7,000	...	128,800	400	129,200	−2,700	+3,500
1,[illegible]6,800	12,100	1,[illegible]8,[illegible]00	−325,9[illegible]	2[illegible],69,000	2,78,63,000	2,008,[illegible]0	12,000	2,020,800	+326,000	+651,900
993,400	9,600	1,003,000	+76,700	1,32,[illegible]0,000	25,73,000	1[illegible]5,[illegible]00	22,800	1[illegible]9,9,000	+132,700	+76,[illegible]00
9[illegible]7,600	26,000	983,[illegible]00	−[illegible]5,900	3,69,000	98,95,000	1,084,[illegible]0	28,900	1,113,200	+6[illegible],700	+129,[illegible]00
16,272,200	444,300	16,716,[illegible]00	−7[illegible],[illegible]00	4,31,00,000	24,12,61,000	18,957,400	467,700	19,424,100	+1,946,800	+2,707,600
212,700	11,300	224,000	−5,000	32,29,0[illegible]0	...	215,900	11,100	227,000	−2,000	+3,000
1,100	409,000	410,100	+5,600	12,00	...	80[illegible]	404,000	404,800	+300	−5,300
1,204,300	2,074,000	3,278,[illegible]00	+33,600	15,35,[illegible]00	1,72,77,000	1,254,100	2,077,000	3,3[illegible],100	+83,400	+52,800
587,400	96,400	683,800	−7,900	11,9[illegible],000	77,[illegible]5,000	5[illegible]4,100	84,600	678,700	−13,[illegible]00	−5,100
306,800	37,400	344,200	+6,[illegible]00	21,[illegible]8,000	38,0[illegible],000	[illegible]96,900	48,500	445,[illegible]00	+107,200	+101,200
2,312,300	2,628,100	4,940,400	+32,300	81,30,000	2,87,98,000	2,461,800	2,625,200	5,087,000	+178,900	+146,600
195,300	...	19[illegible],300	+61,800	6,99,00[illegible]	...	46,600	...	46,600	−86,900	−148,700
29,000	14,900	43,900	+[illegible]00	1,[illegible]9,000	...	8[illegible]600	...	8,[illegible]	−34,700	−35,300
40[illegible],800	7,100	412,900	−43,800	72,[illegible],000	...	484,[illegible]00	7,200	491,400	+34,700	+78,500
347,900	...	347,900	−18,600	30,51,000	37,50,000	45[illegible],400	...	45[illegible],400	+85,900	+105,500
978,000	22,000	1,000,000	...	1,11,42,000	37,50,000	992,800	7,200	1,000,000	...	...
30,777,800	5,718,700	36,493,500	−1,033,000	14,16,01,000	37,10,30,000	34,175,400	5,707,300	39,682,700	+2,150,200	+3,186,200

BUDGET ESTIMATE, 1913-1914.			
India.		England.	Total.
Amount in Rupees.	Equivalent in £ at R15 = £1.		
R	£	£	£
5,00,79,000	3,338,600	3,631,300	6,969,900
36,27,000	241,800	175,500	417,300
5,37,06,000	3,580,400	3,806,800	7,387,200

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1911-1912.					REVISED	
	INDIA. (RUPEE FIGURES.)		Total India (converted into £ at R 15=£1)	England.	TOTAL.	INDIA. (RUPEE FIGURES.)	
	Imperial.	Provincial.				Imperial.	Provincial.
	R	R	£	£	£	R	R
Brought forward	14,04,13,363	31,74,49,268	30,524,176	5,767,633	36,291,809	13,19,35,000	32,97,32,000
Railways—							
38.—State Railways: Interest on Debt	4,24,81,923	...	2,832,128	3,446.942	6,279,070	4,63,50,000	...
Annuities in purchase of Railways	...	...	...	3,357,301	3,357,301	...	...
Sinking Funds	...	...	...	177,677	177,677	...	...
Interest chargeable against Companies on Advances	31,44,602	...	209,640	175 500	385,140	34,14,000	...
Interest on Capital deposited by Companies	26,80,203	...	178,680	1,647,290	1,825,970	28,98,000	...
40.—Subsidized Companies: Land, etc.	8,96,204	13,190	60,626	...	60,626	7,64,000	19.000
41.—Miscellaneous Railway Expenditure	2,62,400	10,160	18,171	...	18,171	8,47,000	9,000
TOTAL	4,94,65,332	23,350	3,299,245	8,804,710	12,103,955	5,42,73,000	28,000
Irrigation—							
42.—Major Works: Working Expenses	75,78,960	95,97.583	1,145,103	...	1,145,103	76,90,000	94,45,000
Interest on Debt	66,69,010	93,25,070	1,066,272	116,595	1,182,867	74,74,000	99,83,000
42A.—Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	...	...	...	...	...	...	...
43.—Minor Works and Navigation	39,65,122	87,25,975	846,073	840	846,913	41,28,000	87,47,000
TOTAL	1,82,13,092	2,76,48,628	3,057,448	117,435	3,174,883	1,92,92,000	2,81,75,000
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	...	12,535	836	...	836	...	61,000
45.—Civil Works	1,12,37,405	6,92,88,892	5,368,419	84,793	5,453,212	1,61,88,000	7,56,01,000
TOTAL	1,12,37,405	6,93,01,427	5,369,255	84,793	5,454,048	1,61,88,000	7,56,62,000
Military Services—							
46.—Army: Effective	20,84 03 972	...	13,893,598	2,439 364	16,332 962	20,51,01,000	...
Non-Effective	1,04 85,675	...	699,045	2,504,539	3,203,584	1,06,12,000	...
	21,88,89,647	...	14,592,643	4,943,903	19,536,546	21,57,13,000	...
46A.—Marine	37.61.939	...	250.796	199,932	450,728	37.92.000	...
47.—Military Works	1,30,83,104	...	872.407	37.250	909,657	1,27,59,000	...
47A.—Special Defences (1902)	40,570	...	2,705	2,001	4,706	1,00,000	...
TOTAL	23,57,78,260	...	15,718,551	5,183,086	20,901,637	23,23,64,000	...
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	45,51,07,452	41,44,22,673	57,968,675	19,957,657	77,926,332	45,40,52,000	43,35,97,000
Add—Portion of Allotments to Provincial Governments not spent by them in the year	...	2,12,10,407	1,414,027	...	1,414,027	...	6,11,09,000
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	...	*66,74,153*	*444,943*	...	*444,943*	...	...
Total Expenditure charged to Revenue	45,51,07,452	42,89,58,927	58,937,759	19,957,657	78,895,416	45,40,52,000	49,47,06,000

	ACCOUNTS, 1911-1912.			
	INDIA.		England.	Total.
	Amount in Rupees.	Equivalent in £ at R15=£1.		
Capital Expenditure not charged to Revenue—	R	£	£	£
48.—State Railways	7,26,11,789	4,840,786	2,140,598	6,981,384
49.—Irrigation Works	2,17,33,198	1,448,880	87,651	1,536,531
TOTAL	9,43,44,987	6,289,666	2,228,249	8,517,915
51.—Initial Expenditure on new Capital at Delhi	74,799	4,986	6	4,992

Revenue of India, in India and in England—*continued.*

ESTIMATE, 1912-1913.			Increase + Decrease − as compared with Budget Estimate, 1912-1913.	BUDGET ESTIMATE, 1913-1914.					Increase + Decrease − of Budget, 1913-1914, as compared with Budget Estimate, 1912-1913.	Increase + Decrease − of Budget, 1913-1914, as compared with Revised Estimate, 1912-1913.
				INDIA. (RUPEE FIGURES.)						
Total India (converted into £ at R15 = £1).	England.	TOTAL.		Imperial.	Provincial.	Total India (converted into £ at R15 = £1).	England.	TOTAL.		
£	£	£	£	₹	₹	£	£	£	£	£
30,777,800	5,718,700	36,496,500	−1,036,000	14,16,01,000	37,10,30,000	34,175,400	5,507,300	39,682,700	+2,150,200	+3,186,200
3,090,000	3,608,800	6,698,800	+185,200	5,00,79,000	...	3,338,600	3,631,300	6,969,900	+456,300	+271,100
...	3,357,700	3,357,700	−100	...	...	...	3,379,500	3,379,500	+21,700	+21,800
...	184,300	184,300	...	...	...	...	191,500	191,500	+7,200	+7,200
227,600	175,500	403,100	−24,500	36,27,000	...	241,800	175,500	417,300	−10,300	+14,200
193,200	1,654,900	1,848,100	−14,600	34,33,000	...	228,900	1,726,200	1,955,100	+92,400	+107,000
52,200	...	52,200	−69,000	16,00,000	10,000	107,300	...	107,300	−13,900	+55,100
57,100	...	57,100	+6,000	7,58,000	...	50,600	...	50,600	−500	−6,500
3,620,100	8,981,200	12,601,300	+83,000	5,94,97,000	10,000	3,967,200	9,104,000	13,071,200	+552,900	+469,900
1,142,300	...	1,142,300	+36,400	78,61,000	95,78,000	1,162,600	...	1,162,600	+53,700	+20,300
1,163,800	124,800	1,288,600	+47,100	81,52,000	1,03,42,000	1,232,900	126,900	1,359,800	+118,300	+71,200
...	...	...	−43,300	16,29,000	...	108,600	...	108,600	+65,300	+108,600
858,400	1,900	860,300	−63,900	45,91,000	93,05,000	926,400	7,200	933,600	+9,400	+73,300
3,164,500	126,700	3,291,200	−23,700	2,22,33,000	2,92,25,000	3,430,500	134,100	3,564,600	+249,700	+273,400
4,100	...	4,100	+600	...	32,000	2,100	...	2,100	−1,400	−2,000
6,119,200	90,500	6,209,700	+558,000	1,48,59,000	8,25,95,000	6,497,000	85,400	6,582,400	+930,700	+372,700
6,123,300	90,500	6,213,800	+558,600	1,48,59,000	8,26,27,000	6,499,100	85,400	6,584,500	+929,300	+370,700
13,673,400	2,692,500	16,365,900	+510,900	20,36,18,000	...	13,574,500	2,723,000	16,297,500	+442,500	−68,400
707,500	2,535,300	3,242,800	+13,100	1,06,40,000	...	709,400	2,549,000	3,258,400	+25,700	+15,600
14,380,900	5,227,800	19,608,700	+524,000	21,42,58,000	...	14,283,900	5,272,000	19,555,900	+471,200	−52,800
252,800	224,000	476,800	+29,700	34,01,000	...	226,700	251,600	478,300	+31,200	+1,500
850,600	30,000	880,600	+20,100	1,39,39,000	...	929,300	19,800	949,100	+88,600	+68,500
6,600	9,300	15,900	−4,300	2,62,000	...	17,400	7,100	24,500	+4,300	+8,600
15,490,900	5,491,100	20,982,000	+569,500	23,18,60,000	...	15,457,300	5,550,500	21,007,800	+595,300	+25,800
59,176,600	20,408,200	79,584,800	+151,400	47,00,50,000	48,28,92,000	63,529,500	20,381,300	83,910,800	+4,477,400	+4,326,000
4,073,900	...	4,073,900	+5,631,600	...	...	...	...	...	−1,354,900	−6,986,500
...	...	...		...	*4,36,89,000*	*2,912,600*	...	*2,912,600*		
63,250,500	20,408,200	83,658,700	+5,783,000	47,00,50,000	43,92,03,000	60,616,900	20,381,300	80,998,200	+3,122,500	−2,660,500

REVISED ESTIMATE, 1912-1913.				BUDGET ESTIMATE, 1913-1914.			
INDIA.		England.	TOTAL.	INDIA		England.	TOTAL.
Amount in Rupees.	Equivalent in £ at R15 = £1.			Amount in Rupees.	Equivalent in £ at R15 = £1.		
Rs.	£	£	£	Rs.	£	£	£
9,66,00,000	6,440,000	2,502,000	8,942,000	11,40,53,000	7,603,500	2,509,900	10,113,400
2,11,27,000	1,408,500	33,300	1,441,800	2,06,77,000	1,378,500	88,200	1,466,700
11,77,27,000	7,848,500	2,535,300	10,383,800	13,47,30,000	8,982,000	2,598,100	11,580,100
15,73,000	104,900	7,000	111,900	1,99,25,000	1,328,300	5,000	1,333,300

C.—Statement of Receipts and Disbursement of the

	Accounts, 1911-1912.			Revised Estimate, 1912-1913.			Budget Estimate, 1913-1914.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	81,713,339	1,092,411	82,835,750	86,[illegible]2,100	970,300	87,052,400	81,522,600	801,900	82,324,500
Excess of Revenue over Expenditure charged to Revenue			3,949,331			3,393,760			1,326,300
Railway, Irrigation, and other Capital not charged to Revenue—									
Outlay of Railway Companies—									
Repayments	...	2,029	2,029	...	4,000	4,000	..	2,000	2,000
Net			0			0			0
Raised and Deposited by Railway Companies—									
On account of Subscribed Capital	57,497	...	57,497	70,000	655,000	725,000	160,900	4,415,000	4,575,900
Net			17,297			565,600			3,160,900
Permanent Debt Incurred—									
Sterling Debt—									
India Stock	...	2,855,103		...	3,000,000		...	...	
Rupee Debt—									
Rupee Loan	1,333,333	...		2,000,000	...		2,000,000	...	
Total	1,333,333	2,855,103	4,188,436	2,000,000	3,000,000	5,000,000	2,000,000	...	2,000,000
Net			1,82[illegible],473			2,937,000			131,500
Temporary Debt Incurred—									
Temporary Loans	...	4,500,000	4,500,000	...	...	...	...	...	...
Net			0			0			0
Unfunded Debt—									
Deposits of Service Funds	89,721	...		90,100	...		90,000	...	
Savings Bank Deposits	6,750,857	...		7,523,400	...		7,509,800	...	
Total	6,840,576	...	6,840,578	7,613,500	...	7,613,500	7,599,800	...	7,599,800
Net			1,315,193			1,741,100			1,591,100
Deposits and Advances—									
Balances of Provincial Allotments	1,114,057	...		4,072,900	...		...	...	
Appropriation for Reduction or Avoidance of Debt	457,967	...		347,900	...		453,400	...	
Deposits of Local Funds—									
District Funds	3,796,473	...		4,170,700	...		3,914,000	...	
Other Funds	1,191,852	...		1,[illegible]7,700	...		1,182,500	...	
Deposits of Sinking Funds	27,502	...		42,100	...		43,800	...	
Gold Standard Reserve	...	9,485,535		3,255,700	11,363,900		...	6,178,100	
Currency Reserve—									
Council Bills appropriated	...	1,988,333		...	...		...	...	
Gold received from India	...	...	...	...	1,600,000		...	...	
Gold transferred	1,988,333	...		...	...		...	...	
Departmental and Judicial Deposits	21,905,219	...		27,001,200	...		26,204,700	...	
Advances	10,601,375	27,227		5,198,600	8,000		4,606,800	24,600	
Suspense Accounts	287,178	...		128,100	...		17,600	...	
Exchange on Remittance Accounts (net)	22,535	...		...	...		...	...	
Miscellaneous	26,174	...		2,400	...		6,800	...	
Total	44,684,715	11,501,095	56,185,810	45,580,900	12,972,500	58,553,400	36,429,600	6,202,700	42,632,300
Net			2,209,280			4,726,800			0
Carried over	[illegible]	12,930,638		141,347,100	17,601,800		127,712,800	11,421,900	

Government of India, in India and in England.

	Accounts, 1911-1912.			Revised Estimate, 1912-1913.			Budget Estimate, 1913-1914.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	57,908,675	19,957,657	77,926,332	59,176,600	20,408,200	79,584,800	63,529,500	20,381,300	83,910,800
Add—Provincial Surpluses transferred to "Deposits"	1,414,027	...	1,414,027	4,073,900	..	4,073,900	...	...	...
Deduct—Provincial Deficits charged to "Deposits"	*444,943*	...	*444,943*	...	...	...	*2,912,600*	...	*2,912,600*
Total	58,937,759	19,957,657	78,895,416	63,250,500	20,408,200	83,658,700	60,616,900	20,381,300	80,998,200
Railway, Irrigation, and other Capital not charged to Revenue—									
Outlay on Irrigation Works	1,448,880	87,651	1,536,531	1,408,500	33,300	1,441,800	1,378,500	88,200	1,466,700
Outlay on State Railways	4,840,786	2,140,598	6,981,384	6,440,000	2,502,000	8,942,000	7,603,500	2,509,900	10,113,400
Initial expenditure on new Capital at Delhi	4,986	6	4,992	104,900	7,000	111,900	1,328,300	5,000	1,333,300
Outlay of Railway Companies—									
Payments for Capital outlay	314,614	673,945	988,559	171,700	1,027,300	1,199,000	227,400	1,822,900	2,050,300
Net			**986,530**			**1,195,000**			**2,048,300**
Raised and deposited by Railway Companies—									
Payments for discharge of Debentures	...	40,000	40,000	...	160,000	160,000	...	1,415,000	1,415,000
Net			**0**			**0**			**0**
Permanent Debt Discharged—									
Sterling Debt—									
Madras Railway Debentures	...	868,700		...	249,700		...	170,000	
Indian Midland Do.	...	907,500		...	1,227,900		...	1,111,200	
India Bonds	...	500,000		...	500,000		...	500,000	
Rupee Debt—									
4½ p. c. Loans	67	...		...	...		...	...	
4 p. c. Loans	80,910	...		82,400	...		82,400	...	
3½ p. c. Loans	200	...		100	...		100	...	
3 p. c. Loans	7,886	...		2,800	...		4,800	...	
Provincial Debentures	...	...		100	...		...	...	
Total	89,033	2,276,200	2,365,263	85,400	1,977,600	2,033,000	87,300	1,781,200	1,838,500
Net			**0**			**0**			**0**
Temporary Debt Discharged—									
Temporary Loans	...	5,000,000	5,000,000	...	4,500,000	4,500,000	...	...	...
Net			**5,000,000**			**4,500,000**			**0**
Unfunded Debt—									
Special Loans	269	...		200	...		200	...	
Deposits of Service Funds	93,577	...		93,700	...		96,200	...	
Savings Bank Deposits	4,931,537	...		5,778,200	...		6,002,000	...	
Total	5,025,383	...	5,025,383	5,872,100	...	5,872,100	6,098,400	...	6,098,400
Net		...	**0**			**0**			
Deposits and Advances—									
Balances of Provincial Allotments	444,943	...		...	...		2,912,600	...	
Deposits of Local Funds—									
District Funds	3,593,981	...		4,015,800	...		3,847,300	...	
Other Funds	1,121,303	...		1,215,200	...		1,134,300	...	
Gold Standard Reserve	...	9,889,183		3,265,700	11,432,600		...	6,164,500	
Currency Reserve—									
Council Bills appropriated	1,988,333	...		...	...		...	...	
Gold Transferred	...	655,000		...	1,600,000		...	...	
Sums invested	...	1,333,333		...	...		...	...	
Departmental and Judicial Deposits	24,514,769	...		26,653,700	...		26,133,300	...	
Advances	10,231,543	73,813		5,198,100	180,100		4,594,200	25,000	
Suspense Accounts	111,078	...		186,700	...		69,800	...	
Exchange on Remittance account (net)	...	...		18,600	...		...	...	
Miscellaneous	19,027	24		...	...		...	...	
Total	42,024,977	11,951,353	53,976,330	40,553,800	13,212,700	53,766,500	38,691,500	6,189,500	44,881,000
Net			**0**			**0**			**2,248,700**
Carried over	112,086,448	42,127,410		117,886,900	43,828,100		116,031,700	84,193,000	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1911-1912.			Revised Estimate, 1912-1913.			Budget Estimate, 1913-1914.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward . .	134,659,460	19,950,638		141,347,100	17,601,800		127,712,900	11,421,600	
Loans and Advances by Imperial Government . . .	264,742	...	264,742	260,000	...	260,000	199,000	...	199,000
Net .			**201,914**			**187,600**			**13,100**
Loans and Advances by Provincial Governments . .	986,707	...	986,707	1,091,300	...	1,091,300	937,600	...	937,600
Net .			**0**			**0**			**0**
Loans to Local Boards for Railway Construction . .	6,583	...	6,583	6,900	...	6,900	7,100		7,100
Net .			**6,583**			**6,900**			**7,100**
Remittances—									
Inland Money Orders .	32,427,579	...		33,333,300	...		34,693,400	...	
Other Local Remittances .	87,885	...		573,400	...		434,700	...	
Other Departmental Accounts . . .	6,226	...		...	...		...	...	
Net Receipts by Civil Treasuries from—									
Post Office . .	2,168,276	...		2,208,500	...		2,028,300	...	
Railways . . .	12,606,038	...		14,547,300	...		13,704,100	...	
Public Works . .	8,700			...	...		...		
Net Receipts from Civil Treasuries by—									
Telegraph . . .	733,423	...		733,700	...		718,300	...	
Marine . . .	291,885	...		260,100	...		199,300	...	
Military Works . .	738,525	...		719,400	...		803,100	...	
Military . . .	13,268,513	...		13,146,600	...		13,017,800	...	
Remittance Account between England and India—									
Purchase of Silver . .	...	...		7,060,000	...		...	...	
Remittance of gold from India	...	...		...	327,900		...	450,000	
Railway transactions . .	2,195,707	7,655		3,550,300	24,600		4,914,900	504,800	
Other . . .	903,598	1,253,414		2,559,900	1,549,800		771,800	1,390,000	
Total .	65,436,355	1,261,039	66,697,424	78,692,500	1,902,300	80,594,800	71,285,700	2,344,800	73,630,500
Net .			**49,524**			**161,600**			**0**
Secretary of State's Bills drawn . .	...	25,070,216	25,070,216	...	25,660,000	25,660,000	...	21,650,000	21,650,000
Total Receipts . .	201,353,847	46,281,923		221,397,800	45,164,100		200,142,300	35,416,400	
Opening Balance . .	13,566,922	(a) 18,174,349		12,279,689	(b) 19,463,723		19,543,889	(c) 9,377,923	
GRAND TOTAL .	214,920,769	64,456,272		233,677,489	64,627,823		219,686,189	44,794,323	

(a) Of this account £1,477,358 represents the funds of the Gold Standard Reserve.
(c) " " £1,005,000 " " " "

DELHI,
FINANCE DEPARTMENT,
March 20th 1913.

W. D. WOOLLAM,
Offg. Deputy Comptroller General.

Government of India, in India and England—*continued.*

	Accounts, 1911-1912.			Revised Estimate, 1912-1913.			Budget Estimate, 1913-1914.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	112,686,448	42,127,410		117,886,900	43,828,100		116,031,800	34,193,080	
Loans and Advances by Imperial Government .	62,828	...	62,828	72,400	...	72,400	185,900	...	185,900
Net .			0			0			0
Loans and Advances by Provincial Governments .	1,179,862	...	1,179,862	1,288,200	...	1,288,200	1,063,500	...	1,063,500
Net .			193,155			196,900			125,900
Remittances—									
Inland Money Orders .	32,398,535	...		33,333,300	...		34,666,700	...	
Other Local Remittances	...	...		441,000	...		568,000	...	
Other Departmental Accounts . . .	127	...		...	...		...	...	
Net payments into Civil Treasuries by—									
Post Office . .	2,158,879	...		2,208,500	...		2,028,300	...	
Railways . . .	12,704,524	...		14,547,300	...		13,704,100	...	
Net Issues from Civil Treasuries to—									
Telegraph . .	740,023	...		733,700	...		718,300	...	
Marine . . .	292,953	...		260,100	...		199,300	...	
Military Works . .	749,165	...		719,400	...		803,100	...	
Military . . .	13,268,720	...		13,146,600	...		13,017,800	...	
Remittance Account between England and India—									
Purchase of silver .	...	...		...	7,060,000		...	...	
Remittance of gold to England .	...	...		327,900	...		450,000	...	
Railway transactions .	2,914	2,200,448		24,600	3,550,300		504,800	4,914,900	
Other . . .	1,466,921	664,691		3,269,000	811,500		1,547,900	575,400	
Total .	63,782,761	2,865,139	66,647,900	69,011,400	11,421,800	80,433,200	68,208,300	5,490,300	73,698,600
Net .			0			0			66,100
Secretary of State's Bills paid . .	24,929,181	...	24,929,181	25,874,700	...	25,874,700	21,650,000	...	21,650,000
Total Disbursements .	202,641,080	44,992,549		214,133,600	55,249,900		207,139,500	39,683,300	
Closing Balance .	12,279,689	19,463,723 (b)		19,543,889	9,377,923 (c)		12,546,689	5,111,023 (d)	
GRAND TOTAL .	214,920,769	64,456,272		233,677,489	64,627,823		219,686,189	44,794,323	

(*b*) Of this amount £1,073,710 represents the funds of the Gold Standard Reserve
(*d*) „ £1,018,600 „ „ „ „ „

M. F GAUNTLETT,
Comptroller General.

R. W GILLAN,
Secretary to the Government of India.

D.—Account of Provincial Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Settlements.

Provincial Balances.

	Central Provinces and Berar.	Burma.	Eastern Bengal and Assam.	Bengal.	United Provinces of Agra and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.	Equivalent in £ at R15 = £1.
Accounts, 1911-1912.	₹	₹	₹	₹	₹	₹	₹	₹	₹	£
Balance at end of 1910-1911 . . .	27,72,214	54,08,035	72,89,698	1,30,78,265	83,90,485	69,74,978	1,55,90,102	1,63,03,351	7,61,10,158	5,074,010
Added in 1911-1912 .	12,14,573	...	52,18,802	82,93,235	1,44,240	33,98,055	29,38,502	...	2,12,10,407	1,414,027
Spent in 1911-1912 .	...	*12,60,040*	...	...	...	...	...	*54,14,113*	*66,74,153*	*444,943*
Balance at end of 1911-1912 . . .	39,86,787	41,48,025	1,25,08,500	2,13,74,500	88,34,725	1,03,73,033	1,85,28,604	1,08,92,238	9,06,46,412	6,043,094
			Assam.	New Bengal.	Bihar and Orissa.					
Revised Estimate, 1912-1913.										
Balance at end of 1911-1912 . . .	39,83,787	41,48,025	41,93,000	1,66,25,000	1,30,62,000	88,34,725	1,03,73,033	1,85,28,604	1,08,92,238	9,06,46,412	6,043,094
Added in 1912-1913 .	44,97,000	75,37,000	37,55,000	1,16,98,000	65,69,000	81,28,000	83,36,000	43,76,000	59,13,000	6,11,09,000	4,073,960
Spent in 1912-1913 .	...	...	...	...	...	...	...	...	...	...	...
Balance at end of 1912-1913 . . .	84,83,787	1,16,85,025	79,51,000	2,83,23,000	1,96,31,000	1,69,62,725	1,90,09,033	2,29,04,604	1,68,05,238	15,17,55,412	10,116,954
Budget Estimate, 1913-1914.										
Balance at end of 1912-1913 . . .	84,83,787	1,16,85,025	79,51,000	2,83,23,000	1,96,31,000	1,69,62,725	1,90,09,033	2,29,04,604	1,68,05,238	15,17,55,412	10,116,994
Added in 1913-1914 .	...	...	...	...	...	...	...	...	...	...	...
Spent in 1913-1914 .	*8,68,000*	*58,54,000*	*19,94,000*	*89,53,000*	*46,09,000*	*38,48,000*	*43,87,000*	*80,21,000*	*51,55,000*	*4,36,89,000*	*2,912,600*
Balance at end of 1913-1914 . . .	76,15,787	58,31,025	59,57,000	1,93,70,000	1,50,22,000	1,31,14,725	1,46,22,033	1,48,83,604	1,16,50,238	10,80,66,412	7,204,394

W. D. WOOLLAM,
Offg. Deputy Comptroller General.

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT;
March 20th, 1913.

E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England.

REVENUE AND EXPENDITURE.	ACCOUNTS, 1911-1912.					REVISED ESTIMATE, 1912-1913.		BUDGET ESTIMATE, 1913-1914.	
	Revenue.	Expenditure. Refunds and Assignments.	Expenditure. Cost of Collection and Production.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Revenue Heads.	£	£	£	£	£	£	£	£	£
Principal Heads of Revenue. — Land Revenue (excluding that due to Irrigation)	20,764,697	764,370	3,786,454	16,213,873		16,647,100		16,584,000	
Opium	5,961,278	3,614	729,452	5,228,212		4,503,700		306,000	
Salt	3,391,212	254,476	368,490	2,768,246		2,701,100		2,768,000	
Stamps	4,815,129	55,595	134,190	4,625,344		4,882,600		4,999,200	
Excise	7,609,753	76,873	419,253	7,113,627		7,669,800		7,913,400	
Provincial Rates	548,680	580	5,695	542,405		550,000		27,900	
Customs	6,4 8,567	181,837	250,713	6,036,017		6,597,400		6,445,600	
Assessed Taxes	1,652,878	10,827	28,278	1,613,773		1,687,500		1,716,300	
Forest	1,952,179	6,557	1,142,202	803,440		898,600		799,700	
Registration	445,862	1,124	248,256	195,482		2..1,800		238,100	
Tributes	595,005	201,358	...	393,647		398,100		41 ,500	
TOTAL	54,205,240	1,557,191	7,112,983	45,535,066		46,767,500		42,213,500	
Total deduction from Revenue		8,670,174							
Expenditure Heads.									
Debt Services — Interest	1,448,741	2,037,735			588,994		344,000		22,700
Commercial Services. — Post office	2,134,279	2,008,470		125,809		223,100		303,600	
Telegraph	1,087,425	1,093,934			6,509	20,900			39,200
Railways	15,891,725	12,103,955		3,787,770		5,516,100		4,552,300	
Irrigation	3,980,052	3,174,883		805,169		1,071,700		839,300	
Other Public Works — Civil Works, etc.	326,924	5,454,048			5,127,124		5,898,200		16,297,600
Mint — Mint	367,100	116,507		250,593		389,700		136,900	
Civil Departments — Civil Departments	1,238,131	16,466,166			15,228,035		15,416,500		18,127,800
Miscellaneous Civil Services. — Superannuation	201,470	3,187,420			2,985,950		3,077,100		3,124,400
Exchange	105,097	...		105,097		109,300		33,300	
Miscellaneous	409,018	388,909		20,109			36,800		190,500
Other heads	95,891	1,322,494			1,225,603		1,222,700		1,216,200
Famine Relief and Insurance — Famine Relief	...	114,293			114,293		195,300		48,600
Other heads	...	885,707			885,707		804,700		953,400
Military Services. — Army — Effective	1,061,030	16,332,962			15,271,932		15,: 01,600		15,235,300
Army — Non-effective	118,336	3,203,584			3,085,248		3,121,600		3,133,900
Marine	84,900	450,728			365,828		389,000		380,000
Military works	78,791	909,657			830,866		807,300		873,100
Special Defences (1902)	...	4,706			4,706		15,900		24,500
TOTAL	82,835,750	77,926,332		4,909,418		7,467,600			1,586,300
Provincial Adjustment — Surplus		969,084			969,084		4,073,900		
Deficit		...						2,912,600	
TOTAL	82,835,750	78,895,416		3,940,334		3,393,700		1,326,300	
Capital Account — Surplus				3,940,334		3,393,700		1,326,300	
Railway and Irrigation Capital not charged to Revenue:—									
Capital raised and deposited by Railway Companies (net)				17,497		565,600		3,160,900	
Outlay on Irrigation Works					1,536,531		1,441,800		1,436,700
Outlay on State Railways					6,981,784		8,942,600		10,113,400
Initial outlay on new Capital at Delhi					4,992		111,900		1,333,300
Outlay of Railway Companies (net)					986,530		1,195,000		2,048,300
Debt, Deposits, Advances, and Remittances. — Permanent Debt (net)				1,823,173		2,937,000		131,500	
Temporary Debt (net)					500,000		4,500,000		
Unfunded Debt (net)				1,815,193		1,741,400		1,501,400	
Loans and Advances by Imperial Government (net)				201,914		187,600		13,100	
Loans and Advances by Provincial Governments (net)					193,155		196,900		125,900
Loans to Local Boards for Railway Construction (net)				6,783		6,900		7,100	
Deposits and Advances (net)				2,209,480		4,786,900			2,248,700
Remittances (net)				49,524		161,600			
Secretary of State's Bills drawn (net)				25,070,216		25,650,000		21,650,000	68,100
Secretary of State's Bills paid (net)					24,929,181		25,874,700		21,650,000
				35,133,914	35,131,773	39,440,700	42,262,300	27,790,300	39,054,400
Cash Balance — Opening Balance (net)				31,741,271		31,743,412		28,921,812	
Closing Balance (net)					31,743,412		28,921,812		17,657,712
TOTAL				66,875,185	66,875,185	71,184,112	71,184,112	56,712,112	56,712,112

W. D. WOOLLAM,
Offg. Deputy Comptroller General.

M. F. GAUNTLETT,
Comptroller General.

R. W. GILLAN,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT;
March 20th, 1913.

MEMORANDUM EXPLAINING THE DETAILS OF THE ESTIMATES.

Introductory.

1. In this memorandum the variations between the Budget and the Revised estimates of the current year, and between the latter and the Budget estimates of next year, are explained in detail for the major heads of account. Under most of the heads details by provinces have been given, and it may be explained that the figures shown against "India General" represent the transactions of the Central Government, including all expenditure directly controlled by it, of the minor administrations of Ajmer-Merwara and Coorg, and of the convict settlement in the Andamans. The Budget estimates of Provincial and "Divided" expenditure in 1913-14 generally represent the allotments proposed by the several Governments and Administrations with whom regular provincial settlements have been concluded and in the case of provinces having local Legislative Councils more detailed information regarding the figures will be found in the Financial Statements presented by the Local Governments to their respective Councils.

2. The figures for the newly created province of Delhi have been entered separately and explained under each major head of account. It may be stated however at the outset that while the Revised estimates for 1912-13 under each head represent the probable receipts and outlay in six months of the current year, the Budget makes full provision for the revenue and the charges of a whole year; and that where the difference between the two sets of figures arises solely from this cause, no explanation of the variation has been given in this memorandum.

Treatment of cost of Imperial Delhi.

3. It is also necessary to explain at this stage that the figures entered against Delhi in this memorandum represent only the revenue and expenditure of the Delhi administration and do not by themselves indicate the cost of change of the Imperial Capital. In order to ensure that, although brought into account under varying heads, expenditure connected with Delhi shall not be lost sight of, instructions have already been issued for the record of all such outlay under special descriptive sub-heads which have been opened in our accounts. Thus, the whole of the expenditure on the Delhi Project proper chargeable to capital will be shown under the new capital head "51" opened for this purpose. Charges connected with the construction of Temporary Delhi will be shown under a special descriptive sub-head under the major head "45—Civil Works—Imperial." Similarly, expenditure on the new cantonment will be shown under a specific descriptive head in the Military section of the accounts. Lastly, charges connected with the administration of the Delhi province will be brought together in a special Appendix to the Civil Estimates under the appropriate service heads, and in this will also be included expenditure from special sanitary or other grants for such objects as water supply, town improvements, preservation of antiquities, medical relief, etc.

In order to present in one view not only the gross expenditure arising from the change of Capital, but also the very substantial sums which will from time to time come to be taken by way of set-off, it has been decided to maintain a special *pro forma* statement with effect from 1912-13. The general form of the statement will be somewhat as shown in the appendix to this memorandum; but modifications in the detailed heads may have to be made as advised from time to time by the Comptroller General. It will not, however, be possible to present these figures until the accounts of 1912-13 are made up, and for the present it has been thought sufficient to compile a statement of the gross expenditure only arising out of the change of Capital which is included in the

accounts of 1911-12, the Revised estimate of 1912-13 and the Budget estimate of 1913-14. The figures are given below in lakhs of rupees :—

	1911-12, Accounts.	1912-13, Revised.	1913-14, Budget.
I.—Capital expenditure :—			
Initial outlay on Permanent Delhi (*vide* paragraphs 235 and 236) . . .	·75	16·78	200·00
II.—Revenue expenditure :—			
(*a*) Administration of Delhi Province (as recorded under the various heads of account in this memorandum) . .	...	17·74	20·47
(*b*) Construction and maintenance of temporary works at Delhi for the accommodation of the Government of India (*vide* paragraphs 191 and 192)	8·61	47·00	8·25
(*c*) Cost of new Cantonment (*vide* paragraphs 214 and 224)	...	·11	16·00
(*d*) Expenditure on provision of postal and telegraphic facilities including cost of new buildings	...	3·91	·85
(*e*) Maintenance of Viceregal residence at Delhi	...	...	1·59
(*f*) Cost of permanently moving Imperial offices (*viz.*, a section of the Government Press and the Office of the Comptroller General) from Calcutta or elsewhere to Delhi	...	1·15	·49
(*g*) Other indirect expenditure incurred mostly in the Secretariats owing to employment of special staff in connection with work arising from the change of Capital, grant of special concessions to camp offices brought to Delhi, etc.	...	1·02	·37
	8·61	70·93	48·02

The whole of the capital outlay undoubtedly represents additional expenditure which would have been avoided but for the change of Capital. Of the charges recorded in the revenue account, the whole of item (*b*) must for the present fall under this class, though there will be small counterbalancing receipts in the shape of rents of the residential buildings, and a substantial portion of the outlay will in all probability be recouped when the temporary buildings are no longer required. Item (*c*) also represents mostly extra expenditure. But the same can hardly be said of the other items given above. The expenditure shown against items (*f*) and (*g*) will probably be more than counterbalanced by the savings accruing from the shorter move of the Government of India to Delhi. The whole of the outlay shown against items (*d*) and (*e*) is being met from ordinary Imperial grants; and all that has happened is that money is being now spent at Delhi which would have been spent elsewhere for the same purpose if the change of Capital had not been made, or else that being the Imperial Capital, Delhi is now receiving a larger share of the money than it used to get. Lastly, a good portion of the expenditure shown against item (*a*) represents the cost of the ordinary civil administration of the territory which used to be met by the Government of the Punjab before Delhi became the Imperial Capital; and the only effect of the change has been to transfer all such ordinary expenditure from the Provincial to the Imperial section of the accounts. But the revenue of the tract has also been so transferred, resulting in a gain to the Imperial Government of about R3½ lakhs in 1912-13, and R7 lakhs in 1913-14; and it may also be necessary to make a reduction in the present assignment of Imperial land revenue received by the Punjab

if a detailed examination of the accounts indicates that the Provincial expenditure in the tract prior to its transfer to Imperial control exceeded the Provincial revenue derived from it, though pending such examination no such reduction has been entered in the estimates. A small portion of the expenditure, about Rupees one lakh a year, also represents the cost of certain wholly Imperial Services, *e.g.*, Ecclesiastical, which has been merely transferred from the books of the Punjab to those of the new province; while a further portion of it representing special outlay on sanitation, etc, is being actually met, or, but for the change, would have been met from special Imperial grants.

General results.

4. The broad totals of revenue and expenditure for the last year, the current year and the ensuing year are as follows:—

	Accounts, 1911-1912.
	£
Revenue	82,835,750
Expenditure charged to Revenue	78,895,416
Surplus	£ 3,940,334

	Revised, 1912-1913.
	£
Revenue	87,052,400
Expenditure charged to Revenue	83,658,700
Surplus	£ 3,393,700

	Budget, 1913-1914.
	£
Revenue	82,324,500
Expenditure charged to Revenue	80,998,200
Surplus	£ 1,326,300

These figures exclude all capital, debt and remittance transactions.

Accounts, 1911-12.

5. The accounts of 1911-12 are not discussed in this memorandum, but according to our usual practice in the past a brief explanation is given below of the principal divergences between the Revised estimates of revenue and expenditure as submitted to the Council twelve months ago, and the actual accounts of the year as closed, audited and compiled by the Comptroller and Auditor General.

6. The total revenue turned out about £796,900 more and the total expenditure about £50,400 less than the Revised estimate, with the result that the surplus was £847,300 larger than was anticipated. To this improvement, the net earnings of Railways contributed no less than £606,500. There was an increase of £425,600 in the gross receipts, the growth of traffic in March 1912, on the North-Western, the Bombay Baroda and Central India, and a few other lines having far exceeded expectation; while there was a net saving of £180,900 distributed among a number of lines, in the provision for working expenses and payment of surplus profits to companies. Eliminating the Provincial figures, the balance of the improvement in the surplus, *viz.*, £240,800, occurred chiefly under the following heads. There was an increase of £56,600 in the Opium revenue owing to a rise in the auction price at the sales of Malwa opium in March 1912. Increases of smaller magnitude were also realised under some of the other heads of revenue; but these were more than counterbalanced by a decrease of £100,000 under Customs, distributed among a number of tariff heads. The net Military expenditure was less than the Revised estimate by

£70,100 mainly in consequence of a smaller expenditure on the purchase of stores in England and in connection with the Royal Visit in India, and there were savings of £58,900 and £53,200 respectively in the miscellaneous charges of Railways and in the expenditure of Civil Departments. Smaller lapses also occurred under a number of other heads, but they were nearly counterbalanced by an increase of £82,000 under Civil Works. Of the latter sum £57,400 (R8·61 lakhs) represents expenditure on Temporary Delhi and was incurred mainly in taking over the electric installations, etc., erected, and certain articles of furniture purchased, in connection with the Coronation Durbar.

Authors of Memorandum.

7. Paragraphs 203 to 227 of this Memorandum have been communicated by the Hon'ble Mr. W. H. Michael, Secretary to the Government of India in the Military Finance Branch: and the rest of the Memorandum has been drafted by Mr. Bhupendra Nath Mitra, M.A., Assistant Secretary in the Finance Department.

I AND 3.—LAND REVENUE.

REVENUE.

(Including the portion due to Irrigation.)

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	8,81,223	8,08,539	7,11,075	7,17,000	7,59,000	7,48,000
2. Delhi	...	...	...	...	2,09,000	3,84,000
3. Baluchistan	10,02,440	8,91,261	9,51,489	9,03,000	9,15,000	9,25,000
4. North-West Frontier	23,30,699	21,79,157	21,48,843	21,83,000	21,83,000	22,13,000
5. Other Provinces	10,43,159	11,46,179	7,05,376	16,92,000	14,98,000	18,72,000
Total	52,57,521	50,25,136	45,17,783	54,95,000	55,64,000	61,42,000
Divided and Provincial.						
1. Central Provinces	1,87,74,671	1,81,31,128	1,85,87,860	1,87,60,000	1,80,85,000	1,88,50,000
2. Burma	4,20,29,468	4,06,18,783	4,18,73,511	4,27,82,000	4,42,60,000	4,30,98,000
3. Assam	...	...	...	76,93,000	78,00,000	77,00,000
4. Bengal (new)	...	...	...	2,69,88,000	2,74,66,000	2,72,66,000
5. Bihar and Orissa	...	...	...	1,51,97,000	1,50,00,000	1,51,19,000
6. United Provinces	6,98,61,785	6,74,96,264	6,60,96,192	6,70,65,000	6,67,97,000	6,62,98,000
7. Punjab	3,13,87,524	2,97,80,632	3,47,90,786	3,52,82,000	3,89,32,000	3,72,62,000
8. Madras	6,49,15,137	6,61,22,570	6,70,19,897	6,83,93,000	6,88,69,000	6,96,70,000
9. Bombay	5,48,03,513	5,42,16,103	4,94,05,849	5,22,48,000	4,96,42,000	5,11,39,000
Eastern Bengal and Assam	2,01,21,586	2,01,84,470	2,03,12,357	...	...	...
Bengal (old)	2,95,91,736	2,92,57,800	2,91,38,498	...	...	...
Total	33,14,85,420	32,58,07,750	32,72,24,650	33,44,08,000	33,69,11,000	33,74,02,000
TOTAL REVENUE ₹	33,67,42,941	33,08,32,886	33,17,42,433	33,99,03,000	34,24,75,000	34,35,44,000
Shown under I.—Land Revenue ₹	31,99,82,121	31,31,62,808	31,14,70,456	31,91,39,000	31,98,85,000	32,05,98,000
Shown under XXIX.—Irrigation ₹	1,67,60,820	1,76,70,078	2,02,71,977	2,07,64,000	2,25,90,000	2,29,46,000
Equivalent of total Revenue in Sterling £	22,449,529	22,055,526	22,116,162	22,660,300	22,831,700	22,902,900
Shown under I.—Land Revenue £	21,332,141	20,877,521	20,764,697	21,276,000	21,325,700	21,373,200
Shown under XXIX.—Irrigation £	1,117,388	1,178,005	1,351,465	1,384,300	1,506,000	1,529,700

EXPENDITURE.

Imperial.						
1. India General	4,93,158	4,48,303	4,02,758	3,98,000	3,96,000	3,96,000
2. Delhi	...	...	...	...	56,000	1,00,000
3. Baluchistan	2,16,185	2,21,950	2,39,346	2,35,000	2,40,000	2,33,000
4. North-West Frontier	5,87,200	5,88,174	6,03,664	6,85,000	6,15,000	6,74,000
5. Other Provinces	26,21,963	27,93,330	26,72,719	29,50,000	28,12,000	33,00,000
Total	39,18,506	40,51,757	39,18,487	42,68,000	41,19,000	47,03,000
Divided and Provincial.						
1. Central Provinces	38,16,403	39,07,049	39,07,629	39,04,000	39,00,000	40,00,000
2. Burma	66,35,721	65,12,019	68,23,955	69,17,000	69,91,000	69,79,000
3. Assam	...	...	...	14,27,000	14,57,000	15,13,000
4. Bengal (new)	...	...	...	33,50,000	33,63,000	33,17,000
5. Bihar and Orissa	...	...	...	25,80,000	25,00,000	25,39,000
6. United Provinces	83,67,891	83,90,829	86,42,051	88,60,000	87,68,000	95,58,000
7. Punjab	47,85,927	46,80,491	48,02,974	50,31,000	47,39,000	47,88,000
8. Madras	1,24,04,096	1,27,50,336	1,29,37,965	1,45,67,000	1,12,95,000	1,46,51,000
9. Bombay	80,21,443	78,67,486	82,72,746	86,04,000	85,21,000	82,95,000
Eastern Bengal and Assam	30,68,240	30,51,163	33,30,750	...	...	...
Bengal (old)	37,24,433	36,96,519	41,29,707	...	...	...
Total	5,08,24,159	5,08,55,892	5,28,47,787	5,52,40,000	5,45,31,000	5,56,71,000
TOTAL INDIA ₹	5,47,42,665	5,49,07,649	5,67,66,274	5,95,08,000	5,86,53,000	6,03,74,000
Equivalent in Sterling £	3,649,511	3,660,510	3,784,418	3,967,200	3,910,200	4,024,900
England £	568	1,916	2,036	1,000	2,000	1,300
TOTAL EXPENDITURE £	3,650,079	3,662,426	3,786,454	3,968,200	3,912,200	4,026,200

Statement showing the distribution between Imperial and Provincial of the Land Revenue shown in the preceding table under 1912-13 and 1913-14.

	1912-13.		Budget, 1913-1914.
	Budget.	Revised.	
1. Total divided revenue	31,72,05,000	31,94,88,000	32,01,78,000
Imperial.			
2. Imperial share according to the terms of the provincial settlements	16,15,03,000	16,24,19,000	16,28,53,000
3. *Deduct:*—			
(*a*) Fixed recurring assignments from Imperial to Provincial under the terms of the provincial settlements, including permanent additions subsequently made to them	61,15,000	72,05,000	2,43,15,000
(*b*) Assignments in connection with the scheme for the incidence of famine relief expenditure (*vide* para. 54 of Financial Statement for 1907-1908) . . .	37,50,000	37,50,000	37,50,000
(*c*) Non-recurring grants:—			
(*i*) under the terms of the provincial settlements	15,67,000	5,98,000	3,26,000
(*ii*) in aid of outlay on the improvement of education treated as a special appropriation from the opium revenue of the year .	...	69,00,000	...
(*iii*) in aid of outlay on the improvement of education, sanitation, medical relief, agriculture and other beneficial services . .	...	4,62,70,000	15,35,000
(*iv*) in aid of development of communications, etc., in Burma and Assam	...	50,00,000	...
(*v*) in aid of provincial resources generally	...	1,00,00,000	...
(*vi*) other items	2,06,000	16,65,000	12,34,000
Total assignments .	1,16,38,000	8,13,88,000	3,11,60,000
4. Net Imperial share of divided revenue . .	14,98,65,000	8,10,31,000	13,16,93,000
5. *Add*—Wholly Imperial Revenue . . .	54,95,000	55,64,000	61,42,000
TOTAL .	15,53,60,000	8,65,95,000	13,78,35,000
Shown under I.—Land Revenue . . .	14,40,38,000	7,43,43,000	12,53,99,000
„ „ XXIX.—Irrigation . . .	1,13,22,000	1,22,52,000	1,24,36,000
Provincial.			
1 Share of divided revenue (including assignments from Imperial)	16,73,40,000	23,84,57,000	18,84,85,000
2. Wholly Provincial Revenue . . .	1,72,03,000	1,74,23,000	1,72,24,000
TOTAL .	18,45,43,000	25,58,80,000	20,57,09,000
Shown under I.—Land Revenue . . .	17,51,01,000	24,55,42,000	19,51,99,000
„ „ XXIX.—Irrigation . . .	94,42,000	1,03,38,000	1,05,10,000

8. The Imperial expenditure shown against "Other Provinces" in the table at page 23 represents the cost of survey and record-of-right operations on a large scale in Bengal and in Bihar and Orissa, undertaken more for administrative than for fiscal purposes. The expenditure is of a temporary and varying character and was accordingly not considered suitable for inclusion in the financial settlements with the two provinces. Three-fourths of the charges are eventually recovered from landlords and tenants for the protection of whose rights the operations are primarily undertaken; and the recoveries are shown in the table as Imperial revenue against "Other Provinces."

REVENUE.

(*a*) *Wholly Imperial.*

Revised, 1912-13. *Budget, 1913-14.*

9. Excluding the Delhi figures, the Revised estimate for 1912-13 is less than the Budget by R1·40 lakhs while the Budget for 1913-14 is R4·03 lakhs more than the Revised estimate for 1912-13. Both these variations are caused mainly by a postponement of the recovery in the current year of certain survey and settlement charges in Bengal and Bihar and Orissa, and by provision for the recovery of these arrears in 1913-14.

(*b*) *Divided and Wholly Provincial.*

Revised, 1912-13.

10. The total collections in 1912-13 are likely to exceed the Budget estimate by R25·03 lakhs. A large improvement of R36·50 lakhs is anticipated in the Punjab in spite of the loss of the Delhi revenue, owing to higher receipts from the sale of proprietary rights in the canal colonies and the revision of assessments in the Chenab colony. Important increases will also take place in Burma (R14·78 lakhs) where the outturn of the year's crops is much above the average; in Bengal (R4·78 lakhs) where, owing to the territorial re-arrangement, the Budget was based on data which were more or less uncertain, while the Revised includes certain special receipts; and in Madras (R4·76 lakhs) mainly in consequence of the postponement of certain collections which were expected to be realised in 1911-12 at the time when the Budget for the current year was framed. In Assam also there will be an improvement of R1·07 lakhs owing to a larger recovery of arrears; but in the other provinces the collections will fall short of the Budget estimate. There will be a considerable deficiency of R26·06 lakhs in Bombay due to the unfavourable agricultural conditions prevailing in certain parts of the Presidency; and important shortages of R6·75 lakhs and R2·68 lakhs are also expected in the Central and the United Provinces respectively, owing to larger suspensions and postponement of collections in certain districts necessitated by an indifferent monsoon.

Budget, 1913-14.

11. The total Budget for 1913-14 is R4·91 lakhs more than the Revised estimate for the current year. An increase of R44·97 lakhs is expected in Bombay where provision has been made for the collection of a portion of the suspended revenue of the current year in addition to the normal demand for 1913-14. Important increases over the Revised estimate of the current year are also assumed in Madras (R8·01 lakhs) and in the Central Provinces (R7·65 lakhs) owing to normal growth in the revenue demand and to the recovery of arrears in the latter province. Provision for normal growth of the revenue demand has been made generally in the other provinces also. But the total collections in 1913-14 are expected to fall short of those in the current year in the Punjab (R36·70 lakhs) in consequence of smaller receipts from the sale of proprietary rights in the canal colonies; in Burma (R11·62 lakhs) where the estimates have been based on a normal outturn of next year's crops, while allowance has been made for a decrease in the petroleum revenue consequent on an expected falling-off in production in the Yenang-yaung oil-field; in the United Provinces (R4·99 lakhs) due to smaller recovery of revenue suspended in previous years, the outstanding amount of which will be considerably reduced by the end of the current year; and in Bengal (R2·00 lakhs) and in Assam (R1 lakh) owing to the absence of certain special receipts which have swelled the revenue in 1912-13.

(c) *Adjustments between Imperial and Provincial.*

12. The table at page 24 shows the amount of Imperial Land Revenue assigned for Provincial expenditure in the two years. The variations between the Budget and Revised estimates of the current year and between the latter and the Budget estimate for 1913-14 are explained below.

(1) *Recurring assignments.*

Revised, 1912-13.

13. The bulk of the increase of ₹10,90,000 in the Revised estimate over the Budget of the current year is contributed by the following three items, the balance consisting of petty corrections and re-adjustments :—

	Lakhs of rupees.
(1) Additional grants for educational reforms out of the reserve provision made in the current year's Budget under the head "22.—Education"	10·96
(2) Grants for the improvement of sanitary services out of the lump provision made for the purpose in the current year's Budget under the head "24.—Medical"	1·89
(3) Saving in the compensatory grant given to Madras in connection with the remission of the Proprietary Estates village service cess	—2·63
	10·22

Budget, 1913-14.

14. The increase of ₹1,71·10 lakhs in the Budget provision for next year over the Revised estimate of 1912-13 is made up as follows :—

		Lakhs of rupees.
(1) Compensatory assignments to the Governments of Bengal, Bihar and Orissa, United Provinces and the Punjab to enable them to forego the appropriations which are now made from the cess on land to meet expenditure which should be defrayed properly from Provincial revenues :—		
Bengal	24·93	
Bihar and Orissa	22·92	
United Provinces	29·53	
Punjab	2·08	
TOTAL .		79·46
(2) Additional recurring grants for the advancement of education		48·35
(3) Additional recurring grants for the development of sanitation		36·50
(4) Recurring grant to Assam for the proper administration of remote tracts on the north-east frontier		3·93
(5) Increase in compensatory assignment to Madras in connection with remission of village service cess in proprietary estates		2·43
(6) Additional recurring grants for the improvement of sanitary services		·76
		1,71·43
(7) *Deduct*—Petty adjustments of a recurring character . .		·33
TOTAL .		1,71·10

15. The fourth of these grants is intended to compensate the Government of Assam for political and police expenditure which it will have to incur in connection with the outlying territories on the north-east frontier, but for which no provision was made in its provincial settlement. The fifth grant is a necessary concomitant of the progress of resumption of *inam* lands of village servants—see paragraph 12 of last year's explanatory memorandum.

The sixth grant is an addition to the similar grant of R1·89 lakhs made in the current year, the object of the aggregate grant of R2·65 lakhs being to assist Local Governments in employing additional Deputy Sanitary Commissioners and municipalities in organising an efficient staff of health officers and sanitary inspectors. All the major provinces participate in the grant with the exception of Assam and the Central Provinces from which no schemes on the subject have yet been received.

16. In connection with the grants falling within the first of the categories mentioned above, it may be explained that certain appropriations have hitherto been made in some of the provinces, in aid of expenditure which is properly chargeable to Provincial revenues, from the proceeds of the land cess which is wholly applied elsewhere to finance rural boards. Thus in Bengal and in Bihar and Orissa, a moiety of the land cess—known as the public works cess—forms an item of Provincial revenue; in Agra about one-third of the land cess is appropriated by the Provincial Government to meet the cost of the rural police; and in the Punjab the district boards have to make over to the Provincial Government about one-fifth of the land cess as a contribution for general services. The arrangement has naturally resulted in a severe restriction of the activities of the rural boards in these provinces; and the Royal Commission on Decentralisation recommended in paragraph 773(i) of their report, that the resources of rural boards should be augmented by the surrender of these appropriations. It is proposed to accept the recommendation; and provision has accordingly been made in next year's Budget for the subventions required to compensate the four Provincial Governments for the loss of revenue entailed by the change. In calculating this loss due allowance has been made for the resumption of certain grants now made to the rural boards by the Provincial Governments. In the United Provinces a necessary corollary of the measure will be the abolition of the separate police rate in Oudh, the cost of the rural police becoming an item of Provincial expenditure, while advantage will be taken of the change to introduce another desirable reform, *viz.*, the substitution of cash-paid *chaukidars* in Gorakhpur for village watchmen who are paid by grants of land and whose *jagirs* will be resumed; and an addition has been made to the compensatory assignment to cover the fresh burden thrown on Provincial revenues. The figures given below show how the assignments to the four provinces have been worked out on the basis of the average actuals for the last three years:—

(In lakhs of rupees).

	Bengal.	Bihar and Orissa.	United Provinces.	Punjab.
Net amount of appropriation surrendered . . .	29·42	24·52	22·19	3·82
Add—Cost of rural police in Oudh and *chaukidars* in Gorakhpur	...	...	11·02	...
	29·42	24·52	33·21	3·82
Deduct—Amount of contributions to rural boards to be resumed	4·49	1·60	3·54	1·74
Deduct—Provincial share of land revenue from resumed *jagirs* in Gorakhpur . . .	...	...	·14	...
Amount of assignment . .	24·93	22·92	29·53	2·08

In the North-West Frontier Province also, the system of levying contributions from district boards for general services will be discontinued, a reduction being made in the grants received by the boards from Provincial revenues. The net loss of revenue in this province will amount to ·22 lakh; and setting against this the Imperial share of the gain in land revenue in the United Provinces from the resumed *jagirs* the total cost of the measure will amount to R79·46 lakhs.

17. The following table gives the distribution among the different provinces of the recurring grants of R48·35 lakhs and R36·50 lakhs respectively for the promotion of education and the improvement of sanitation.

[Lakhs of Rupees.

Province.	Grants for Sanitation.	Grants for Education.	Total Imperial grants for Education provided in the Budget for 1913-14.
1	2	3	4
	R	R	R
1. Central Provinces	3·00	2·59	5·54
2. Burma	3·00	3·07	6·07
3. Assam	·50	1·77	3·63
4. Bengal	5·00	13·20	25·45
5. Bihar and Orissa	3·00	5·23	10·53
6. United Provinces	6·00	6·38	14·63
7. Punjab	4·00	3·38	7·98
8. Madras	6·00	6·80	16·80
9. Bombay	6·00	5·93	13·68
Total	36·50	48·35	104·31

18. The subvention of R36·50 lakhs for sanitary expenditure represents the share assigned to the Governments of the nine major provinces, of the annual appropriation of R45 lakhs which it has been decided to make from Imperial revenues in aid of outlay on the improvement of sanitation. R5 lakhs out of this appropriation has been reserved for research for which there is a vast field in India, and the balance of R40 lakhs is intended to provide for urgent sanitary needs in cities. Out of the latter sum, R36·50 lakhs have been allotted to the major provinces, R1·50 lakhs to the minor administrations, and R2 lakhs kept in reserve for future distribution. The allotments to provinces have been made with reference to figures of urban population modified where necessary in accordance with lists of schemes ready and waiting for funds in each province.

19. The recurring assignments for education will be in addition to the similar grants made for this purpose from Imperial revenues in 1912-13, and the total provision in next year's Budget for special Imperial subventions to Provincial Governments in aid of educational expenditure will stand at R104·31 lakhs as shown in column 4 of the table in paragraph 17. Adding to this sum R3·69 lakhs allotted to meet the educational needs of the minor administrations and R7 lakhs held in reserve for future distribution, the special appropriation from Imperial revenues for outlay on the advancement of education will amount to R115 lakhs in 1913-14, or R55 lakhs more than the similar appropriation made in the current year. The distribution of this additional sum among the provinces has been made generally with reference to population, the demand for education and the expressed needs of Local Governments.

(2) *Non-recurring assignments.*

(i) *Grants for education, sanitation and other beneficial services.*

Revised, 1912-13.

20. In the Budget estimate for the current year provision was made for a non-recurring appropriation of R65 lakhs from Imperial revenues for capital outlay on the promotion of education. Of this amount R62·50 lakhs have been allotted during the course of the year to the Provincial Governments to enable them to meet the requirements of universities and of certain special institutions, and the pressing demands for hostels; and the balance of R2·50 lakhs

has been utilised for similar purposes in the minor administrations. A small sum of ₹·20 lakh out of the portion of the current year's recurring grant which was held in reserve, has also been applied to meet an item of necessary capital expenditure in Madras. Further, it has been decided (*a*) to devote ₹2½ crores out of the general surplus of the current year to meet capital requirements of Provincial Governments in connection with universities, colleges and schools; and (*b*) to distribute ₹69 lakhs, representing roughly about a third of the opium revenue realised in the current year in excess of ₹5,40 lakhs, among the Provincial Governments to be applied almost wholly to the erection of hostels,—a small sum of ₹2 lakhs being allotted to the Calcutta University to enable it to purchase land which it urgently requires for purposes of extension. The total non-recurring subventions to Provincial Governments in 1912-13 for the promotion of education will thus amount to ₹381·70 lakhs.

21. It has also been decided to make further non-recurring grants to Provincial Governments aggregating ₹1½ crores out of the general surplus of the current year, the bulk of which will be devoted to meet pressing demands for the improvement of urban sanitation. The distribution of the non-recurring educational and sanitary grants among the several provinces has been made generally on the same basis as has been followed in distributing the recurring grants, and is given in the table below:

	Education.				Sanitation.
	Grant of ₹62·7 lakhs out of reserve provision in current year's Budget.	*Additional grants of* ₹250 lakhs.	₹69 lakhs.	Total.	
Central Provinces . . .	1·50	13·00	4·75	19·25	10·50
Burma	1·50	21·00	3·25	25·75	10·50
Assam	1·00	9·50	3·50	14·00	3·00
Bengal	28·00	52·50	22·50	103·00	20·00
Bihar and Orissa . . .	3·00	26·50	7·25	36·75	10·00
United Provinces . . .	6·50	34·00	8·25	48·75	27·50
Punjab	4·50	17·50	7·75	29·75	14·50
Madras	8·70	45·00	4·00	57·70	27·00
Bombay	8·00	31·00	7·75	46·75	27·00
Total .	62·70	250·00	69·00	381·70	150·00

22. In the next place, it has been decided to give from our general surplus in 1912-13 a non-recurring grant of ₹30 lakhs to Burma and one of ₹20 lakhs to Assam for communications and general development. The Provincial resources of Burma are not yet quite sufficient to enable the Local Government to maintain a satisfactory rate of progress in the development of the country which its backward condition makes specially and urgently necessary. In Assam also the improvement of communications is a matter of vital importance and the Local Government has recently decided after careful consideration and with the help of a representative conference of leading Europeans and Indians of the province, to allot a sum of ₹15 lakhs for expenditure by local boards on new communication projects to be carried out in three years.

23. Lastly, it has been decided to allot from our general surplus in 1912-13 a sum of ₹1 crore for discretionary grants to the Provincial Governments; these grants will not be earmarked for any particular purpose and it will be left to the Local Governments to determine the application of the sums placed at their disposal according to the special and pressing requirements of each. Assam and the Central Provinces will each receive ₹8 lakhs of the grants of this class, while a sum of ₹12 lakhs will be given to each of the seven other provinces.

Budget, 1913-14.

24. From the surplus Imperial revenues in 1913-14 it has been decided to make two appropriations of ₹10 lakhs each for (*a*) agriculture and allied purposes and (*b*) medical relief. The first of these grants will be applied mainly to the development of cotton cultivation and of the sugar industry, small sums being also allotted for bacteriological and other laboratories, the extension of cinchona plantations, the development of forests and other desirable improvements. The second grant will be devoted to the improvement of hospitals and medical education. ₹6·60 lakhs of the former grant and ₹8·75 lakhs of the latter will be assigned to the nine Provincial Governments; and the balance will be either utilised to meet necessary Imperial outlay in the minor administrations, etc., or else held in reserve for future allotment. The distribution of the assignments to the Provincial Governments is given below :—

	Agricultural and allied objects.				Medical relief.
	Agriculture.	Forests.	Cinchona plantations.	Total.	
	₹	₹	₹	₹	₹
Central Provinces	·20	...	...	·20	1·50
Burma	·75	·50	...	1·25	1·50
Assam	·50	·25	...	·75	·25
Bengal	1·00	...	·50	1·50	1·00
Bihar and Orissa	·50	...	...	·50	·50
United Provinces	·60	...	...	·60	1·00
Punjab	1·20	...	...	1·20	·50
Madras	...	...	·50	·50	1·50
Bombay	·10	...	...	·10	1·00
Total	4·85	·75	1·00	6·60	8·75

(*ii*) *Other non-recurring grants.*

25. The following are the details of the other non-recurring grants given in the two years :—

(*a*) Grants made under the terms of the Provincial settlements :—

	1912-1913.	1913-1914.
To bring the net Irrigation revenue in the United Provinces up to the amount guaranteed in the settlements	5·98	3·26
(*b*) Other grants—		
(1) Contribution to meet Provincial expenditure in Burma and Assam in connection with Frontier Missions, Surveys, etc.	10·85	10·47
(2) Contribution to meet arrear charges in connection with the Royal Visit (mainly payment of bonus to subordinate civil employés of Government)	2·04	...
(3) Grant to the United Provinces for tank restoration works out of the special provision made in the Imperial Budget under Minor Irrigation works for the improvement of irrigation	1·30	...
(4) Annual contribution to the Calcutta Improvement Trust for a period of sixty years	1·50	1·50
(5) Miscellaneous adjustments representing mainly refund of expenditure undertaken on behalf of the Imperial Government or of Provincial revenue erroneously credited as Imperial	·96	·37
	16·65	12·34

EXPENDITURE.

(*a*) *Wholly Imperial.*

26. Excluding the Delhi figures, the saving of R2·05 lakhs in the Budget grant for 1912-13 is chiefly due to lapses in the provision for survey and settlement expenditure in Bengal and Bihar and Orissa; and the increase of R5·40 lakhs in the Budget estimate for 1913-14 over the Revised for the current year occurs mostly in the same item of expenditure. The variations in the figures shown against the North-West Frontier Province are due to ordinary lapses in grants in 1912-13 and to normal provision for the sanctioned scale of expenditure in 1913-14. *Revised, 1912-13.* *Budget, 1913-14.*

(*b*) *Divided and Wholly Provincial.*

27. The total expenditure in the current year will be R7·06 lakhs less than the Budget estimate. Savings of considerable magnitude are expected in the Punjab (2·92 lakhs) owing to the separation of Delhi, and the total or partial non-utilisation of the provisions for the reorganisation of the Indian Civil Service and the extension of settlement operations; and in Madras (R2·72 lakhs) in consequence of smaller payments to village servants and of delay in the introduction of the scheme for the revision of taluk establishments. The saving in the latter province would have been larger, but for the arrear payment of Royal bonus to certain establishments and an increase in the grain compensation charges. Important savings in the Budget grants are also expected in the United Provinces (R·92 lakh), Bombay (R·83 lakh) and Bihar and Orissa (R·80 lakh) owing to ordinary lapses in grants, and the total or partial non-utilisation of the lump provisions for the revision of certain establishments. Burma is the only province in which there will be a material excess over the Budget grant. Here the increase in the land revenue collections will necessitate a larger payment of commission on the collections, while the expenditure on town and other surveys will be higher than was anticipated. *Revised, 1912-13.*

28. The total Budget estimate for 1913-14 is R11·37 lakhs higher than the Revised for the current year. The increase is confined practically to two provinces—United Provinces (R7·90 lakhs) and Madras (R3·56 lakhs). Of the large increase anticipated in the former province, R6·25 lakhs represents the cost of a scheme for the revision of pay of clerical establishments in accordance with the recommendations of a committee which was appointed two years ago to enquire into the matter; while the balance is mostly made up of provisions for the extension of settlement operations and for an increase in the number of deputy collectors in pursuance of a scheme which has been recently sanctioned by the Secretary of State. The increase of R3·56 lakhs in Madras is chiefly due to provision for the revision of village establishments including those in proprietary estates, as well as for a full year's cost of the reorganised taluk establishments. Special provision has also been made in the Central Provinces for the revision of the patwari establishments and the extension of settlement operations; in Assam for a survey school; and in the Punjab for an increase in the number of extra assistant commissioners and for the regrading of tahsildars. In Bombay also, special provision has been made for the revision of the pay of subordinate revenue establishments, and of village servants in the Kaira district; but its effect is obscured by smaller allotments for grain compensation allowance and other indirect famine outlay, and by a change in the method of adjustment of certain charges which will result in the transfer of R1·43 lakhs of expenditure from the head "3—Land Revenue" to "19A—Courts of Law." *Budget, 1913-14.*

II AND 4.—OPIUM.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
INDIA.						
Revenue—						
Bengal—Sale of Opium	6,81,92,200	10,86,83,616	7,48,64,728	3,10,57,000	4,98,06,000	1,62,00,000
Bombay—Pass and auction Fees	1,08,62,101	1,30,800	1,03,99,1	1,86,74,000	2,20,38,000	4,77,000
Excise Opium and other Revenue	39,65,944	40,15,017	41,55,387	46,00,000	48,74,000	49,98,000
TOTAL ₹	8,30,20,245	11,28,29,433	8,94,19,170	,43,31,000	7,67,18,000	2,16,75,000
Equivalent in Sterling	5,534,683	7,521,962	5,961,278	3,622,000	5,114,600	1,445,000
Expenditure—						
Payments to Cultivators, including purchase of Opium	1,46,83,428	1,68,40,270	93,34,254	89,01,000	76,74,000	1,56,78,000
Other Charges	19,57,434	18,52,014	15,83,522	14,08,000	13,50,000	13,47,000
TOTAL INDIA ₹	1,66,40,862	1,86,92,284	1,09,17,776	1,03,09,000	90,24,000	1,70,25,000
Equivalent in Sterling	1,109,391	1,246,152	727,852	687,200	601,600	1,135,000
ENGLAND.						
Other Charges £	764	595	1,600	500	400	400
TOTAL £	1,110,155	1,246,657	729,452	687,700	602,000	1,135,400
Statistics—						
Bengal—						
Chests sold { Certificated	42,300	(a) 37,590	(b)26,860	5,206	4,690	...
Chests sold { Uncertificated				12,200	13,200	9,000
Average price { Certificated	₹1,612	₹2,891	₹2,787	₹2,450	₹5,063	...
Average price { Uncertificated				₹1,500	₹1,963	₹1,800
Chests produced	28,125	29,000	15,000	...	14,000	...
Chests in Balance, March 31	41,158	(a) 32,568	20,708	...	16,818	...
Reserve, December 31	22,933	11,458	11,018	11,018	6,178	11,178
Bombay—						
Chests passed for export	18,103½	218	7,362	(c)15,615	10,345½	...
Rate of duty (Government share)	₹600	₹600	₹600,₹800 and ₹900	₹900	₹900	...
Government share of auction proceeds	...	...	₹14,88,000	₹46,20,000	₹1,17,38,000	₹4,77,000

(a) Inclusive of 100 chests supplied to the Government of Straits Settlements in March 1911, the price of which has been realised in 1911-12.
(b) Inclusive of the 100 chests mentioned above.
(c) Inclusive of 1,000 chests for markets other than China.

REVENUE.

(i) *Bengal Opium.*

Revised, 1912-13.

29. The Budget estimate for 1912-13 provided for the sale of 17,406 chests of Bengal opium; and it was assumed that 5,206 out of these would be specially certificated for China and would realise an average price of ₹2,450 a chest, while the remaining 12,200 chests would yield an average price of ₹1,500 each only. The total number of chests sold at Calcutta to end of March has amounted to 17,890 and they have brought in a revenue of ₹4,98 06, lakhs.

30. The Budget for 1913-14 provides only for the sale of 9,000 uncertificated chests of Bengal opium at an average price of ₹1,800 each, the total receipts on this account thus amounting to ₹1,62 lakhs. *Budget, 1913-14.*

(ii) Malwa opium.

31. As regards Malwa opium, the Budget estimate for the current year provided for the sale of 14,615 certificated chests and the export of 1,000 chests without certificates; and after making due allowance for the effect of the arrangement which permits of the payment of the premium for the right of export within a specified period from the date of sale, on the deposit of proper security, the estimate of revenue was placed at ₹186·74 lakhs. 9,428 chests of Malwa opium have been sold to end of December and ₹220 38 lakhs of revenue have been already credited to Government. No sales have been effected in the last three months of the year; and the Revised Estimate has accordingly been placed at ₹220·38 lakhs. *Revised, 1912-13.*

32. The Budget for 1913-14 provides only for the recovery of ₹4·77 lakhs of premium payable in respect of the December sale which is not likely to be received before April next. *Budget, 1913-14.*

(iii) Excise opium and other Revenue.

33. Under this head the Revised estimate for 1912-13 exceeds the Budget by ₹2·74 lakhs. About half the improvement occurs in Bombay where Bengal opium was substituted for Malwa opium for purposes of local consumption; while the remainder is distributed among a number of provinces. *Revised, 1912-13.*

34. The Budget estimate for 1913-14 provides for the normal annual growth of revenue. *Budget, 1913-14.*

EXPENDITURE.

35. There is a saving of ₹12·85 lakhs in the Budget provision for the current year mainly in consequence of reduced payments to cultivators resulting from a comparatively poor outturn of the crop of 1912. The Budget estimate of 1913-14 includes a special provision of ₹84 lakhs for the purchase of Malwa opium for excise purposes and allows for the reduced scale of cultivation of Bengal opium. *Revised, 1912-13.* *Budget, 1913-14.*

III AND 5.—SALT.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
REVENUE.						
Northern India (*a*)	1,11,45,338	1,03,80,484	1,14,69,735	1,15,50,000	1,22,13,000	1,22,67,000
Burma (*b*)	21,01,194	20,89,510	22,07,835	23,00,000	21,10,000	21,60,000
Assam	...	...	...	...	1,000	2,000
Bengal (new) (*b*)	...	...	...	1,36 67,000	1,16,00,000	1,21,00,000
Bihar and Orissa	...	...	...	...	2,000	1,000
Madras (*a*)	1,06,73,640	1,08,64,310	1,07,48,794	1,09,00,000	1,11,00,000	1,11,50,000
Bombay (*a*)	1,30,85,922	1,27,87,690	1,38,13,414	1,30,00,000	1,30,25,000	1,34,00,000
Eastern Bengal (*b*)	13,26,822	12,87,081	12,49,966	...	...	...
Bengal (*b*)	1,14,59,851	1,02,30,178	1,13,48,436	...	...	...
TOTAL ₹	4,97,92,767	4,76,39,253	5,08,68,180	5,14,17,000	5,00,51,000	5,10,80,000
Equivalent in Sterling £	3,319,518	3,175,950	3,391,212	3,427,800	3,336,700	3,405,300
CHARGES.						
Establishment charges	39,84,025	43,21,535	41,61,308	42,71,000	42,73,000	43,08,000
Cost of Salt purchased by Government	9,68,524	12,96,663	13,55,102	13,70,000	13,56,000	13,49,000
Total India ₹	49,52,549	56,18,198	55,16,410	56,41,000	56,29,000	56,57,000
Equivalent in Sterling £	330,170	374,547	367,761	376,100	375,300	377,100
England £	573	2,529	729	800	900	1,500
TOTAL £	330,743	377,076	368,490	376,900	376,200	378,600
Total Consumption Mds.	4,58,00,000	4,55,27,000	4,75,50,000	4,78,00,000	4,73,29,000	4,79,96,000

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported Salt.

REVENUE.

Revised, 1912-13. 36. The total quantity of salt issued for consumption in 1912-13 is likely to be less than the Budget estimate by about 5 lakhs of maunds. This decrease is wholly due to the abnormally high issues in Bengal in the months of December, January and February last year, in consequence of speculative clearances which have overstocked the market and reduced the demands in that province in the current year. With a duty of ₹1 per maund, the decrease in consumption would have led to an equal decrease in the Budget estimate of revenue. But the actual shortage will be higher owing to a further development of the credit system of payment of duty in Bengal, and will amount to ₹13·66 lakhs.

Budget, 1913-14. 37. In the Budget estimate for 1913-14 provision has been made for a moderate growth in the consumption of 6⅔ lakhs of maunds. The increase in revenue will, however, amount to ₹10·29 lakhs as the growth in the sales on credit in Bengal is not likely to be quite so large in 1913-14 as in the current year.

EXPENDITURE.

Revised, 1912-13. 38. The total Revised estimate for the current year does not differ materially from the Budget provision. An increase of ₹1·24 lakhs in Bombay, mainly in connection with land acquisition at Bhandup, has been more than counterbalanced by savings in other provinces. *Budget, 1913-14.* The Budget estimate for 1913-14 provides for the normal scale of expenditure, for a necessary replenishment of the reserve stock in Northern India, and for a steam launch required in Bengal; but owing to the absence of the special land acquisition charges incurred in Bombay in the current year the total Budget will be only ₹·28 lakh higher than the Revised estimate for 1912-13.

IV AND 6.—STAMPS.

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	3,53,806	3,76,456	3,99,078	3,84,000	4,09,007	4,11,000
2. Delhi	...	...	...	..	1,71,000	3,07,000
3. Baluchistan	82,580	87,703	90,832	88,000	87,000	87,000
4. North-West Frontier	5,20,724	5,02,016	5,69,112	5,47,000	5,77,000	5,73,000
TOTAL	9,57,110	9,66,175	10,59,302	10,19,000	12,22,000	13,78,000
Divided.						
1. Central Provinces	31,99,378	35,24,209	33,60,473	35,00,000	37,00,000	37,25,000
2. Burma	36,12,156	38,96,72	36,71,210	38,00,000	38,74,000	37,50,000
3. Assam	...	...	..	12,25,000	12,50,000	13,40,000
4. Bengal (new)	...	...	...	2,04,25,000	2,08,50,000	2,14,00,000
5. Bihar and Orissa	...	...	...	61,50,000	66,80,000	68,50,000
6. United Provinces	1,10,40,162	1,20,50,270	1,09,90,235	1,12,00,000	1,17,00,000	1,17,50,000
7. Punjab	48,91,373	48,92,330	52,57,02	53,00,000	54,1,000	55,00,000
8. Madras	1,14,9 ,968	1,2 ,15,881	1,27,25,416	1,3 ,00,000	1,3 ,0,000	1,42,50,000
9. Bombay	72,50,861	81,95,947	76,63,815	7,00 000	82,00,000	83,00,000
Eastern Bengal and Assam.	1,01,64,150	1,06,73,319	1,11,61,671	...	...	...
Bengal (old)	1,56,17,389	1,58,60,511	1,63,37,812	...	...	...
TOTAL	6,72,67,437	7,12,09, 88	7,11,67, 38	7,26,00 000	7,49,5,00 0	7,68,95,000
TOTAL REVENUE R	6,82,24,547	7,21,75,363	7,22,26,940	7,36,19,000	7,61,87,000	7,82 73,000
Distribution of Total Revenue :—						
Court Fees and Plain Paper	4,66,24,121	4,96,88,352	4,88,85,517	5,02,51,000	5,09,97,000	5,23,01,000
Commercial and other stamps	2,07,86,048	2,14,72,029	2,22,91,076	2,23,68 000	2,11,76,000	2,49,24,000
Other Revenue	8,.4,378	10,.4,982	10,49,747	10,05.000	10,36,000	10,48,000
Equivalent of total revenue in Sterling £	4,548,304	4,811,691	4,815,129	4,908,000	5,079,100	5,218,200

EXPENDITURE.

Imperial.						
1. India General :—						
(*i*) Superintendence and other charges	2,24,523	1,91,171	2,19,8 0	2,23,000	2,75,000	2,56,000
(*ii*) Credits for value of stamps supplied to Local Governments and administrations and to the Postal and Telegraph Departments.	—16,90,425	17,10,136	—18,18,808	—18,70 000	17,61,0 0	—16,49,000
2. Delhi	..	...	.	.	2,0)	6,000
3. Baluchistan	1,233	1,291	1,340	1 0 0	1,)	1,000
4. North-West Frontier	19,684	22,155	21,973	22,000	2 ,0)	23,000
TOTAL	—14,44,985	—14,95,249	—15,75,055	16,24,000	—14,62,000	—13,63,000
Divided.						
1. Central Provinces	1,21,904	1,18,475	1,2 ,570	1,30,000	1,27,00 0	1,28,000
2. Burma	1,01,910	1,03,632	1,02, 95	1,06,000	1,10,0 0	1,11,000
3. Assam	...	...		58,000	56,0)	58,000
4. Bengal (new)	...	...		6,72,000	6,87,000	7,25,000
5. Bihar and Orissa	...	..	...	2,0 ,000	2,3 ,000	2,55,000
6. United Provinces	2,73,967	2,79,572	2,74,455	2,75,000	2,8 ,0 0	2,91,000
7. Punjab	1,71,602	1,62,914	1,70,897	1,69,000	1,7 ,0 0	1,78,000
8. Madras	4,26,685	4,30,450	4,48,473	4,40,000	4,68,0 0	4,62,000
9. Bombay	2,21,663	2,32,879	2,27,638	2,38,000	2,38,0 0	2,37,000
Eastern Bengal and Assam	4,19,750	4,05,153	4,44,942	...	..	...
Bengal (old)	4,31,964	4,27,563	4,37,8 1	...	...	...
TOTAL	21,69,445	21,6 ,.8	22,3 , 92	22,2 2,000	23,82,0 0	24,4 ,000
TOTAL INDIA. R	7,24,460	6,65,419	6, 3,877	6,68,000	7,20,0 00	10,82,000
Equivalent in Sterling £	48,297	44,361	44,259	44,500	61,3 0	72,100
England £	103,492	79,459	89,931	110,500	8 ,000	91,600
TOTAL EXPENDITURE £	151,789	123,820	134,190	155,000	141,300	163,700

REVENUE.

(*a*) *Wholly Imperial.*

Revised, 1912-13

39. Excluding the Delhi figures, the total Revised estimate for 1912-13 is R·52 lakh higher than the Budget forecast owing to small improvements in the North-West Frontier Province and in other minor administrations, while the total Budget for 1913-14 is the same as the Revised estimate for the current year.

Budget, 1913-14.

(*b*) *Divided.*

Revised, 1912-13.

40. The growth of revenue in 1912-13 is now expected to be R23·65 lakhs higher than the provision made in the Budget estimate. The greater part of this increase, *viz.*, R17 93 lakhs, will be derived from non-judicial stamps and reflects the remarkable activity of trade during the year. The revenue from court-fee stamps will also advance by R7·44 lakhs owing to the increase of litigation in a generally prosperous year. All the provinces share in the expansion of revenue with the exception of Burma, where the revenue will fall short of the Budget estimate by R1·36 lakhs in consequence of trade depression and financial stringency.

Budget, 1913-14.

41. The Budget for 1913-14 is taken at R19·30 lakhs more than the Revised estimate for 1912-13. Provision for normal growth has been made in every province.

EXPENDITURE.

42. The cost of all stamps and stamp paper supplied from England is charged under this head, and an adjustment is made in India transferring to Post Office and Telegraph the cost of stamps used for postal and telegraph purposes. Similarly the cost of revenue stamps supplied to Local Governments and Administrations is debited to them in the Provincial section of the accounts by *per contra* credit in the Imperial section under this head. The credits on both these accounts are shown against item I (*ii*) under Expenditure in the table on page 35.

(*a*) *Wholly Imperial* (*including outlay in England*).

Revised, 1912-13.

43. The net credit in 1912-13 in the Imperial section of the accounts in India is now taken at R1 62 lakhs less than the Budget estimate. Some extra expenditure has been incurred in connection with the insurance of consignments of stamps ; and there will be a large decrease in the value of stamps supplied to the Postal Department owing to the lower prices which are charged under the new contract and which will result in a saving in the English outlay. In fact, taking India and England together, the Revised estimate of stamp expenditure in 1912-13 is R2 95 lakhs less than the Budget estimate ; while the Budget provision for 1913-14 is R2·73 lakhs higher than the Revised estimate for the current year.

Budget, 1913-14.

(*b*) *Divided.*

44. The increase in expenditure in the current year over the Budget estimate, and the further advance provided for in the Budget for 1913-14 are concomitants of the growth in revenue.

V AND 7.—EXCISE.

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	14,38,707	15,73,689	15,46,244	16,08,000	16,20,000	16,47,000
2. Delhi	...	...	...	...	1,35,000	2,90,000
3. Baluchistan	1,9 ,572	2,46,854	2,74,294	2,55,000	2,8 ,0 0	2,76,000
4. North-West Frontier	3,18,583	2,78,194	3,16,143	3,25,000	3,5 ,0 0	3,50,000
Total	19,48,862	20,98,737	21,33,681	21,88,000	24,00,000	25,63,000
Divided and wholly Provincial.						
1. Central Provinces	68,87,477	75,88,655	91,12,523	96,00,000	1,05,00,000	1,10,00,000
2. Burma	76,49,137	72,01,227	72,9 ,047	78,80,000	81,00,000	82,00,000
3. Assam	...	...	...	46,00,000	48,00,000	48,75,000
4. Bengal (new)	...	...	...	1,38,50,000	1,35,0 ,000	1,38,55,000
5. Bihar and Orissa	...	...	...	1,01,00,000	1,02, 5,0 0	1,05,50,000
6. United Provinces	86,76,811	1,02,79,365	1,11,31,787	1,15,00,000	1,23,0 ,0 0	1,27,00,000
7. Punjab	43,23,244	56,94,676	64,00,303	63,50,000	69,50,000	69,50,000
8. Madras	2,69,35,301	2,77,73,643	3,00,64,174	3,19,00,000	3,31, 0,0 0	3,48,00,000
9. Bombay	1,75,46,814	1,89,72,896	2,02,94,345	2,06,50,000	2,08,0 ,000	2,13,00,000
Eastern Bengal and Assam	73,07,598	78,71,330	82,81,9 5	...	...	...
Bengal (old)	1,67,92,558	1,79,74,086	1,94,28,129	...	...	...
Total	9,61,18,940	10,33,55,978	11,20,09,604	11,64,30,000	12,03,45,000	12,42,30,000
TOTAL REVENUE ₹	9,80,67,802	10,54,54,715	11,41,43,285	11,86,18,000	12,27,45,000	12,67,93,000
Equivalent in Sterling £	6,537,854	7,030,314	7,609,753	7,907,900	8,183,000	8,452,900

EXPENDITURE.

Imperial.						
1. India General	1,55,028	1,55,579	1,42,048	90,000	98,000	97,000
2. Delhi	...	...	...	...	3,000	6,000
3. Baluchistan	5,322	14,777	10,471	9,000	16, 00	20,000
4. North-West Frontier	8,280	12,472	14, 02	16,000	15,000	19,000
Total	1,68,630	1,82,828	1,67,121	1,15,000	1,32,0 0	1,42,000
Divided and wholly Provincial.						
1. Central Provinces	2,67,805	2,76,086	2,89,952	3,56,000	3,21,0 0	3,80,000
2. Burma	12,14,020	11,8 ,752	11,92,968	13, 3,000	13,1 ,0 0	13,55,000
3. Assam	...	...	...	1,13,000	1,19,0 0	1,10,000
4. Bengal (new)	...	...	...	6,3 ,000	6,01,000	6,60,000
5. Bihar and Orissa	...	...	...	5,0 ,000	5,25,000	5,43,000
6. United Provinces	3,24,228	3,59,805	3,92,403	4,01,000	4,08,0 0	4,20,000
7. Punjab	78,490	1,68,571	1,71,3 0	1,86,000	1,84,000	1,92,000
8. Madras	18,15,130	17,74,034	17,83,53	18,49,000	18,33,000	18,42,000
9. Bombay	9,33,919	9,45,547	10,57,043	10,44,000	10,80,000	11,26,000
Eastern Bengal and Assam	2,90,108	3,10,833	3,21,032	...	...	...
Bengal (old)	8,71,328	8,83,488	9,11,723	...	...	...
Total	57,95,028	59,00,116	61,20,017	63,94,000	63,84,000	66,42,000
Total India ₹	59,63,658	60,82,944	62,87,138	65,09,000	65,16,000	67,84,000
Equivalent in Sterling £	397,577	405,530	419,142	434,000	434,400	452,3 0
England £	336	464	111	...	...	...
TOTAL EXPENDITURE £	397,913	405,994	419,253	434,000	434,400	452,300

REVENUE.

(*a*) *Wholly Imperial.*

45. Excluding Delhi, the figures do not show any important variation and call for no remark.

(*b*) *Divided and wholly Provincial.*

Revised, 1912-13.

46. The total Revised estimate for 1912-13 exceeds the Budget by R39·15 lakhs. The prevalence of favourable economic conditions throughout the greater portion of the country, the gradual enhancement of rates of duty, the raising of the issue price of opium, the establishment of confidence in the contract supply system and stricter excise control have again combined to secure a very substantial improvement in revenue over the Budget estimate in almost every province. Certain special factors have also contributed to the growth; and among these may be mentioned (1) a change in system in the Punjab whereby two months' license fees which are realised in advance at the annual auctions of the right of vend in March are now credited as revenue at the time of receipt instead of being held in deposit and credited as revenue in the ensuing year; and (2) the introduction of Bengal opium for excise purposes in Bombay and in the northern districts of Burma. In Bengal alone is the revenue now expected to fall short of the Budget estimate. The license fees at which country spirit shops were settled for 1912-13 were comparatively low owing apparently to the rise in the price of food grains at the beginning of the year which is said to have checked consumption; while a shortage of last year's *ganja* crop has forced up prices and has affected the revenue.

Budget, 1913-14.

47. The total Budget for 1913-14 is taken at R38·85 lakhs higher than the Revised estimate for 1912-13. The increase is distributed over all the provinces with the exception of the Punjab where the normal growth of revenue is expected to be wholly counterbalanced by the absence of the special receipts of the current year and the loss of the Delhi revenue for the first half of the year. In view of the high collections of the current year, and changes contemplated in the excise administration in some provinces, provision has generally been made only for a moderate growth of revenue in 1913-14.

EXPENDITURE.

(*a*) *Wholly Imperial.*

48. The figures show little variation and call for no remark.

(*b*) *Divided and wholly Provincial.*

Revised, 1912-13.

49. The Revised estimate for the current year does not differ materially from the Budget provision. Budget for 1913-14 provides for normal charges of sanctioned establishments, as well as for the additional staff required in Bombay, the re-organisation of the Excise department in Bengal and the revision of certain establishments in the Central Provinces.

Budget, 1913-14.

VI AND 8.—PROVINCIAL RATES.

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General ..	27,801	1,357	10,819	14,000	18,000	15,000
2. North-West Frontier .	2,214	2,013	2,773	3,000	3,000	3,000
Provincial.						
1. Assam . . .	...	...	...	7,000	8,000	8,000
2. Bengal (new) . .	...	...	...	32,42,000	32,00,000	90,000
3. Bihar and Orissa .	...	...	...	26,00 000	27,10,000	1,28,000
4. United Provinces .	23,88,185	24,05,151	23,74,149	23,65,0 0	23,60,000	1,57,000
5. Punjab . .	33,156	24,767	27,754	25,000	30,000	30,000
Eastern Bengal and Assam . .	16,60,067	17,28,440	17,58,0 2	...	..	...
Bengal (old) . .	39,76,925	41,53,949	40,56,038	...	...	...
TOTAL REVENUE R	80,88,348	83,15,677	82,30,195	82,56,000	83,59,000	4,31,000
Equivalent in Sterling £	539,223	554,378	548,680	550,400	557,300	28,700

EXPENDITURE.

Provincial.						
1. Bengal (new) . .	..	...	...	53,000	45,000	...
2. Bihar and Orissa .	...	...	...	35,000	46,000	...
Eastern Bengal and Assam . .	31,796	27,143	26,755	...	...	...
Bengal (old) . .	42,379	42,220	58,663	...	...	...
TOTAL EXPENDITURE R	74,175	69,363	85,418	88,000	91,000	...
Equivalent in Sterling £	4,945	4,624	5,695	5,900	6,100	...

REVENUE.

(a) *Imperial.*

50. The figures show little variation and call for no remark.

(b) *Provincial.*

51. The improvement of R·99 lakh in 1912-13 over the Budget estimate occurs mainly in the yield of the public works cess in Bihar and Orissa. The large decrease of R79·25 lakhs in the Budget of next year as compared with the Revised estimate of 1912-13 is explained by the surrender to district boards of the public works cess in Bengal and in Bihar and Orissa, and the discontinuance of the appropriations hitherto made from the local rate in Agra to meet the cost of the rural police. *Revised 1912-13.* *Budget, 1913-14.*

EXPENDITURE.

52. The Revised estimate for 1912-13 practically repeats the Budget. No provision for expenditure has been made in 1913-14 in view of the surrender of the public works cess in Bengal and Bihar and Orissa.

VII AND 9.—CUSTOMS.

SEA CUSTOMS. IMPORTS.	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Special Import Duties.						
Arms, Ammunition, and Military Stores	4,82,061	5,00,005	5,17,612	4,71,000	6,34,000	6,12,000
Liquors—						
Ale, Beer, Porter, Cider and other fermented Liquors	5,45,508	7,99,863	7,99,670	8,13,000	8,83,000	9,00,000
Spirits and Liqueurs	95,57,088	1,06,87,535	1,10,53,333	1,12,00,000	1,10,80,000	1,10,31,000
Wines	4,12,199	5,70,996	5,75,383	5,90,000	5,71,000	5,68,000
Opium	3,580	7,594	6,430	8,000	7,000	6,000
Petroleum	46,87,886	60,63,193	75,69,066	70,00,000	66,19,000	68,00,000
Silver, Bullion and Coin	...	1,62,40,211	97,85,750	80,00,000	1,00,00,000	80,00,000
Sugar (countervailing duties, 1899)	734	1,524	448	...	15,000	...
Do. (do. 1902)	108	...	...	...	...	...
Tobacco	(a)	30,06,672	25,88,039	25,66,000	27,50,000	27,50,000
General Import Duties.						
Articles of Food and Drink (excluding Sugar)	24,91,089	25,81,083	27,59,294	28,00,000	29,37,000	31,15,000
Sugar (ordinary duties)	56,02,253	62,87,703	52,33,539	60,00,000	71,00,000	72,00,000
Chemicals, Drugs, Medicines and Dyeing and Tanning Materials	19,74,847	16,45,557	16,79,326	16,69,000	18,24,000	18,50,000
Cotton Manufactures	1,23,85,548	1,41,77,362	1,56,16,332	1,63,50,000	1,87,20,000	1,90,20,000
Metals and Manufactures of Metals :—						
Silver, Bullion and Coin	53,46,983	(b)	(b)	(b)	(b)	(b)
Other Metals and Manufactures of Metals	45,83,334	53,03,530	51,25,168	53,00,000	50,50,000	50,50,000
Oils (excluding Petroleum)	1,24,234	1,36,891	1,16,498	1,29,000	1,55,000	1,60,000
Manufactured Articles	92,68,645	1,13,88,293	1,23,53,883	1,30,00,000	1,38,65,000	1,41,42,000
Raw Materials and Unmanufactured Articles	14,94,639	14,60,998	14,76,834	15,24,000	16,80,000	17,86,000
TOTAL IMPORTS	5,89,60,736	8,08,61,010	7,72,86,605	7,74,20,000	8,38,90,000	8,29,90,000
EXCISE DUTY ON COTTON GOODS	40,06,193	42,80,251	48,79,478	51,50,000	52,38,000	55,06,000
EXPORT DUTIES—						
Rice	1,04,63,698	1,30,87,908	1,36,23,196	1,22,33,000	1,45,99,000	1,30,66,000
LAND CUSTOMS AND MISCELLANEOUS	10,46,153	10,75,969	12,39,220	11,72,000	13,92,000	13,80,000
GRAND TOTAL R	7,44,76,760	9,92,85,138	9,70,28,499	9,59,75,000	10,51,19,000	10,29,42,000
Equivalent in Sterling £	4,965,118	6,619,009	6,468,567	6,398,300	7,007,900	6,862,800
CHARGES R	32,56,867	35,83,963	37,53,695	38,39,000	38,96,000	40,03,000
Equivalent in Sterling £	217,124	238,931	250,246	255,900	259,800	266,900
England £	371	635	467	100	200	100
TOTAL £	217,495	239,566	250,713	256,000	260,000	267,000

(a) Credited under General Import Duties—Chemicals, etc.
(b) See under Special Import Duties.

REVENUE.

Revised, 1912-13. 53. The Revised estimate for 1912-13 exceeds the Budget by no less than R91·44 lakhs. Of this improvement, R20 lakhs are contributed by silver, the imports of the commodity being far in excess of the cautious estimate adopted last year; R23·66 lakhs by the export duty on rice owing to heavy demands from Ceylon and the Far East which stimulated exports not only from Burma but also from Bengal; R24·58 lakhs by the import and excise duty on cotton goods, and R8·65 lakhs by manufactured articles, the demand for these goods having expanded more rapidly than had been anticipated owing to the generally favourable economic conditions; and R11·15 lakhs by sugar, the imports of which were stimulated by good crops abroad and the consequent fall in prices. Increases of smaller magnitude are also expected under some of the other tariff heads, but they are largely counterbalanced by shortages under petroleum, the imports of which have declined to a greater extent than had been allowed for on the cessation of last year's rate war, and certain other heads.

Budget, 1913-14. 54. The Budget estimate for 1913-14 has been taken at R21·77 lakhs less than the Revised for the current year. A cautious estimate of R80 lakhs has again been adopted for the yield of the silver duty, while the revenue from the export duty on rice has been taken at a normal figure of R1,30·66 lakhs. Under the other tariff heads provision has been made generally for a moderate growth of revenue.

EXPENDITURE.

Revised, 1912-13. 55. The Revised estimate for the current year does not differ materially from the Budget and calls for no remarks. Budget for 1913-14 provides for the sanctioned scale of expenditure, and for the revision of certain establishments in Bombay.

Budget, 1913-14.

VIII AND 10.—ASSESSED TAXES.

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General (Civil) .	8,87,448	8,90,196	9,26,515	9,20,000	9,14,000	9,00,000
2. Delhi . . .	...	...	...	...	76,000	1,51,000
3. Baluchistan (Civil) .	20,031	20,039	20,305	20,000	21,000	20,000
4. North-West Frontier (Civil) . . .	1,32,049	1,32,998	1,43,555	1,39,000	1,48,000	1,48,000
5. Other Provinces (Civil) . . .	4,013	23,232	20,075	18,000	32,000	18,000
6. Non-Civil Departments . . .	16,03,568	17,17,809	14,69,425	14,52,000	14,98,000	15,33,000
Total .	27,37,139	27,84,274	25,79,857	25,49,000	26,89,000	27,70,000
Divided.						
1. Central Provinces .	5,47,204	6,13,386	7,05,639	7,35,000	7,50,000	7,70,000
2. Burma . . .	18,33,507	18,98,721	19,40,044	19,47,000	19,40,000	19,67,000
3. Assam . . .	...	...	...	3,60,000	4,14,000	4,50,000
4. Bengal (new) . .	...	...	...	51,25,000	56,00,000	56,00,000
5. Bihar and Orissa .	...	...	...	11,60,000	13,34,000	13,84,000
6. United Provinces .	22,18,241	23,22,361	24,13,971	24,99,000	25,19,000	25,69,000
7. Punjab . . .	14,57,971	15,01,287	15,21,859	16,64,000	16,15,000	16,22,000
8. Madras . . .	30,74,333	30,81,745	32,05,741	32,42,000	34,00,000	35,50,000
9. Bombay . . .	47,17,389	50,99,847	54,13,445	54,00,000	56,48,000	56,90,000
Eastern Bengal and Assam . .	12,12,713	12,44,785	13,37,314	...	...	...
Bengal (old) . .	55,86,036	53,53,107	55,75,351	...	...	...
Total .	2,06,47,324	2,11,15,239	2,22,13,324	2,21,32,000	2,32,20,000	2,35,02,000
TOTAL REVENUE ₹ .	2,33,84,463	2,38,99,513	2,47,93,181	2,46,81,000	2,59,09,000	2,63,72,000
Equivalent in Sterling £	1,558,964	1,593,301	1,652,878	1,645,400	1,727,300	1,758,200

EXPENDITURE.

Imperial.						
1. India General . .	1,506	1,504	1,504	2,000	1,000	2,000
2. Delhi . . .	...	...	...	...	1,000	2,000
3 North-West Frontier	991	1,079	1,376	1,000	1,000	1,000
Total .	2,497	2,583	2,880	3,000	3,000	5,000
Divided.						
1. Central Provinces .	9,805	8,574	9,788	22,000	22,000	24,000
2. Burma . . .	39,210	41,430	42,311	44,000	44,000	45,000
3. Assam . . .	...	...	...	8,000	6,000	6,000
4. Bengal (new) . .	...	...	...	1,57,000	1,56,000	1,57,000
5. Bihar and Orissa .	...	...	...	41,000	42,000	41,000
6. United Provinces .	313	312	271	...	...	...
7. Punjab . . .	11,020	10,660	10,971	11,000	11,000	11,000
8. Madras . . .	38,892	35,495	37,058	37,000	37,000	37,000
9. Bombay . . .	95,222	1,09,406	1,15,840	1,21,000	1,18,000	1,45,000
Eastern Bengal and Assam . .	39,214	40,399	39,401	...	...	...
Bengal (old) . . .	1,55,715	1,56,004	1,65,653	...	...	...
Total .	3,89,391	4,02,280	4,21,293	4,41,000	4,36,000	4,66,000
TOTAL EXPENDITURE ₹	3,91,888	4,04,863	4,24,173	4,44,000	4,39,000	4,71,000
Equivalent in Sterling £	26,126	26,991	28,278	29,600	29,300	31,400

REVENUE.

(*a*) *Imperial.*

56. Excluding the Delhi figures, there is no material variation between the Budget and Revised estimates for the current year or between the latter and the Budget estimate for 1913-14.

(*b*) *Divided.*

Revised, 1912-13. 57 The total revenue in 1912-13 is likely to exceed the Budget by R10 88 lakhs. Of this improvement R4·75 lakhs are expected in Bengal where a cautious estimate was adopted last year in view of possible troubles in the jute business which however did not arise, while the briskness of trade has led to a large growth in the revenue. Important increases will also take place in Bihar and Orissa (R1 74 lakhs), Bombay (R2 48 lakhs) and Madras (R1·58 lakhs) owing generally to favourable trade conditions and improved arrangements for assessment. The Budget for 1913-14 provides for normal growth of *Budget, 1913-14.* revenue in almost all the provinces. In Bengal alone has no provision been made for an advance on the heavy collections in the current year.

EXPENDITURE.

58. The figures show little variation and call for no remark.

IX AND 11.—FOREST.

REVENUE.

	Accounts, 1909-1910	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General .	5,12,136	7,39,418	8,59,920	8,58,000	7,76,000	7,78,000
2. Baluchistan . .	18,730	2[illegible],2 0	20,1 8	22,0[illegible]0	2[illegible],0 0	2[illegible],0 00
3. North-West Frontier	1,73,305	2,05,542	1,58,[illegible]71	2,00,000	2,00,000	2,11,000
Total. .	7,04,171	9,67,970	10,38,209	10,80,000	9,76,000	10,11,000
Divided and wholly Provincial.						
1. Central Provinces .	20,78,340	21,14,226	25,49,854	24,00,000	31,00,000	29,00,000
2. Burma . . .	93,62,076	1,01,08,020	99,[illegible]7,514	1,01,66,000	1,07,53,000	1,09,15,000
3. Assam . . .	...	...	...	13,10,000	11,99,000	12,3[illegible],000
4. Bengal new) . .	...	...	...	14,00,000	16,50,000	14,00,000
5. Bihar and Orissa .	...	...	...	4,05,000	4,00,000	4,82,000
6. United Provinces .	23,01,164	23,78,439	30[illegible],100	26,45,000	32,00,000	30,25,000
7. Punjab . . .	10,32,033	12,17,988	13,10 077	13 91,000	12 5[illegible],000	13,29,000
8. Madras . . .	41,78,381	38,80,411	41 68,9[illegible]1	40,60,000	41,25,000	4[illegible],00,00
9. Bombay . . .	37,57,656	37,18,325	43,30,569	44,60,000	40,00,000	41,50,000
Eastern Bengal and Assam . .	15,34,732	18,90,635	17,78[illegible]3	...	...	...
Bengal (old) . .	10,80,640	12,67,444	11,22,442	...	...	...
Total .	2,53,26,622	2,64,75,388	2,82,44,480	2,85,37,000	3,02,77,000	2,91,36,000
TOTAL INDIA R	2,60,30,793	2,74,43,358	2,92,82,[illegible]89	2,96,17,000	3,12,[illegible]3,000	3,04,47,000
Equivalent in Sterling £	1,735,386	1,82[illegible],557	1,952,179	1,974,500	2,[illegible]83,500	2,029,800

EXPENDITURE.

Imperial.						
1. India General . .	6,62,821	7,07,490	8,02,202	8,85,000	8,14,000	11,30,000
2. Baluchistan . .	2[illegible],549	26,386	28,947	30,000	3[illegible],0 0	30 000
3. North-West Frontier	77,391	72,[illegible]2	89,43[illegible]	1,00,000	1,00,000	1,26,000
Total .	7,66,761	8,06,368	9,20,585	10,15,000	9,14,000	12,86,000
Divided and wholly Provincial.						
1. Central Provinces .	15,86,852	15,89,533	18,38 379	17,80,000	19,46,000	18,55,000
2. Burma . . .	37,89,303	40,04,865	42,57,225	43,29,000	42,32,000	41,79,000
3. Assam . . .	...	...	...	8,43,000	8,19,000	9,[illegible]3,000
4. Bengal (new) . .	...	...	...	7,28,000	6,88,000	6,7[illegible],000
5. Bihar and O issa .	...	...	...	3,56,000	3,92,000	3,[illegible]8,000
6. United Provinces .	12,09,3[illegible]8	12 37,988	13,[illegible]3,672	15,65,000	16 8[illegible],000	18,65,000
7 Punjab . . .	6,67,752	7,40,542	7,[illegible]5,143	7,97,000	8,22,000	10,25,000
8. Madras . . .	33 39,635	32,25,801	34,14 882	35,10 000	3[illegible],6[illegible],000	32,03 000
9. Bombay . . .	20,63,088	20,[illegible],0,417	2[illegible],[illegible]4,43[illegible]	29,56,000	29,00,000	26,40,000
Eastern Bengal and Assam . .	10,12,541	10,87,339	11,09,591	...	...	...
Bengal (old) . .	5,9[illegible],099	6,43,235	7,06,374	...	...	...
Total .	1,42,59,578	1,45,99,720	1,61,19,705	1,68,64,000	1,65,75,000	1,70,14,000
TOTAL INDIA R	1,50,26,339	1,54,06,088	1,70,40,290	1,78,79,000	1,76,19,000	1,83,00,000
Equivalent in Sterling £	1,001,756	1,027,072	1,13[illegible],019	1,191,900	1,174,600	1,220,000
England . . . £	4,941	6,189	6,183	5,300	4,800	4,600
TOTAL EXPENDITURE £	1,006,697	1,033,261	1,142,202	1,197,200	1,179,400	1,224,600
NET REVENUE £	723,689	796,296	809,977	777,300	904,100	805,200

REVENUE.

(*a*) *Imperial.*

Revised, 1912-13. 59. The falling-off in revenue in the current year as compared with the Budget estimate occurs mainly in Port Blair and is due to a smaller demand for, and a fall in the price of, padauk timber. The Budget estimate of 1913-14 provides for a small growth in all the minor administrations.

Budget, 1913-14.

(*b*) *Provincial.*

Revised, 1912-13. 60. The Revised estimate for 1912-13 exceeds the Budget by R17·40 lakhs. The improvement is shared by all the provinces with the exception of the Punjab and Assam, where the revenue will fall short of the Budget, and of Bihar where the Budget estimate will very nearly be realised. The more important increases occur in the Central Provinces (R7 lakhs) due to the introduction of new grazing rates in certain districts, an intensity of demand for grass, and the supply of grass to Bombay in connection with the famine fodder operations ; in the United Provinces (R5·55 lakhs) owing to a larger demand for timber and the consequent improvement in prices, to more extensive resin operations and to other causes ; and in Burma (R2·87 lakhs), where a special receipt of R6 lakhs on account of the second instalment of the sale-proceeds of the Mergui rubber plantations obscures a shortage of R3·13 lakhs in the Budget estimate caused by an unfavourable floating season in Upper Burma in the earlier part of the year and the postponement of the recovery of a portion of the sale-proceeds of the *kheddah* elephants. The variations in the other provinces are of smaller magnitude and are generally due to an increase or a reduction in the receipts from the sale of timber and other forest produce.

Budget, 1913-14. 61. The total revenue in 1913-14 is taken at R8·41 lakhs less than the Revised estimate of the current year The bulk of this decrease is expected to take place in Bombay (R4·50 lakhs) and the Central Provinces (R2 lakhs) owing to a cessation of the special supply of grass required in connection with the famine fodder operations in the former province. A decline in revenue is also anticipated in Bengal and in Madras owing to the substitution of the contract system for departmental working; and in the United Provinces in view of the abnormally high sales of timber in the current year and the completion of the sale of trees killed by the drought of 1908. In Burma, Assam, Bihar and the Punjab provision has been made for a small normal growth of revenue.

EXPENDITURE.

(*a*) *Imperial.*

Revised, 1912-13. 62. The expenditure in 1912-13 will fall short of the Budget provision by R·71 lakh in consequence of lapses in grants in Port Blair. Budget for 1913-14 is R3·42 lakhs higher than the Revised estimate for the current year mainly owing to provision for increased outlay in connection with working plans in Port Blair and Coorg, on the eradication of lantana in the latter province, for the erection of a semi-portable saw-mill in Port Blair (R1·50 lakhs) and for Imperial expenditure (R·50 lakh) out of the special grant of R10 lakhs for agriculture and allied objects.

Budget, 1913-14.

(*b*) *Provincial.*

Revised, 1912-13. 63. The total Revised estimate for 1912-13 is less than the Budget by R1·89 lakh. There is a large excess of R1·66 lakhs in the Central Provinces in connection with the supply of grass to Bombay; and of R1·21 lakhs in the United Provinces owing to an expected larger payment of rent to the Raja of Tehri in consequence of an increase in the revenue from leased forests, and to the transfer of provision to this head from "26.—Scientific and other minor departments" to cover an allotment made for acquiring certain *babul* forests in the Hamirpur district out of the special Imperial grant of 1911-12 for agriculture and

allied objects. But these and smaller excesses in three other provinces, will be more than counterbalanced by a large decrease of R3 50 lakhs in Madras owing to the curtailment of departmental operations and by lapses in grants in Burma, Bombay and Bengal.

Budget, 1913-14.

64. The total Budget for 1913-14 is R3·39 lakhs higher than the Revised for the current year. Increased provision has been made generally for establishment charges with reference to the sanctioned scales, as well as for special outlay on the development of forests in most of the provinces. But it is partly counterbalanced by a reduction of the expenditure in connection with famine grass operations in Bombay and the Central Provinces, and the absence of the outlay incurred from special Imperial grants in Bengal and Bihar in the current year. The Budget estimates for Burma and Assam include allotments of R·50 lakh and R 25 lakh respectively for expenditure from the special Imperial grants made in 1913-14 for agriculture and allied objects.

X AND 12.—REGISTRATION.

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	19,387	21,565	23,398	22,000	25,000	23,000
2. Delhi	...	...	...	...	10,000	19,000
3. Baluchistan	2,266	3,228	3,313	3,000	3,000	3,000
4. North-West Frontier	39,311	33,941	40,683	41,000	41,000	42,000
Total	60,964	58,734	67,394	66,000	79,000	90,000
Provincial.						
1. Central Provinces	2,96,749	3,22,792	3,49,449	3,30,000	3,70,000	3,70,000
2. Burma	1,83,005	1,99,843	2,02,499	1,95,000	2,26,000	2,21,000
3. Assam	...	...	...	90,000	93,000	93,000
4. Bengal (new)	...	...	...	16,77,000	18,50,000	19,00,000
5. Bihar and Orissa	...	...		5,68,000	5,90,000	5,90,000
6. United Provinces	6,28,200	5,96,697	5,94,858	6,00,000	6,36,000	6,40,000
7. Punjab	3,21,714	2,99,763	3,59,0	3,3,000	3,35,000	3,25,000
8. Madras	19,37,640	19,28,4 7	20,57,7 9	20,80,000	22,85,000	23,50,000
9. Bombay	7,15,469	7,55,074	7,43,182	7,35,000	7,85,000	8,00,000
Eastern Bengal and Assam	9,59,199	9,67,385	10,58,653	...	...	...
Bengal (old)	13,52,720	12,59,120	12,98,213	...	...	...
Total	63,94,696	63,29,091	66,20,543	65,88,000	71,40,000	72,89,000
TOTAL INDIA R	64,55,660	63,87,825	66,87,937	66,54,000	72,19,000	73,79,000
Equivalent in Sterling £	430,377	425,855	445,862	443,600	481,300	491,900

EXPENDITURE.

Imperial.						
1. India General	6,809	7,751	8,714	8,000	9,000	9,000
2. Delhi	...	...	...	...	3,000	6,000
3. Baluchistan	806	968	1,077	1,000	1,000	1,000
4. North-West Frontier	9,950	9,518	10,557	11,000	11,000	11,000
Total	17,565	18,237	20,348	20,000	24,000	27,000
Provincial.						
1. Central Provinces	1,14,802	1,19,498	1,28,069	1,27,000	1,33,000	1,34,000
2. Burma	82,122	88,855	98,040	93,000	1,02,000	1,00,000
3. Assam	...	...	...	64,000	57,000	61,000
4. Bengal (new)	...	...	...	10,33,000	10,55,000	11,16,000
5. Bihar and Orissa	...	...	...	3,24,000	3,23,000	3,34,000
6. United Provinces	2,76,187	2,82,650	2,93,2 3	2,91,000	2,84,000	2,88,000
7. Punjab	1,16,834	1,16,3 5	1,19,895	1,2 ,000	1,18,000	1,18,000
8. Madras	11,72,520	12,02,785	12,48,860	12,40,000	12,51,000	12,46,000
9. Bombay	3,62,301	3,77,721	3,80,184	3,75,000	3,.5,000	3,67,000
Eastern Bengal and Assam	6,14,769	6,29,995	6,28,221	...	...	...
Bengal (old)	7,78,634	7,74,435	8,05,9.9	...	...	...
Total	35,18,169	35,92,254	37,03,481	36,68,000	36,98,000	37,64,000
TOTAL INDIA R	35,35,734	36,10,491	37,23,829	36,88,000	37,22,000	37,91,000
Equivalent in Sterling £	235,716	240,699	248,256	245,900	248,100	252,700

Imperial.

65. Excluding Delhi, the figures of both revenue and expenditure in the two years show little variation and call for no remark.

Provincial.

66. The favourable economic conditions which have prevailed generally during the current year have led to a more rapid expansion in the demand for registration than was allowed for in framing the Budget estimate, and the Revised estimate for 1912-13 has been taken at ₹5 52 lakhs higher, the improvement being shared by almost all the provinces. In view of the high collections in the current year, no allowance for any important growth of revenue in 1913-14 has been made except in Bengal and Madras and the total Budget for next year is only ₹1 49 lakhs more than the Revised estimate for 1912-13. *Revised, 1912-13.* *Budget, 1913-14*

67. The estimates of expenditure for the two years do not show any important variations and call for no remark.

XI.—TRIBUTES.

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General . .	18,87,417	22,57,990	21,34,346	20,09,000	20,61,000	19,92,000
2. Central Provinces .	2,38,587	2,42,437	2,3 ,437	2,39,000	2,3 ,000	2,39,000
3. Burma . . .	4,02,322	4,11,941	4,33,900	4,54,000	4,5 4,000	4,54,000
4. Assam . . .	...	...	...	50,000	50,000	50,000
5. Bengal new) . .	...	...	...	68,000	68,000	68,000
6. Bihar and Orissa .	...	...	...	86,000	8 ,000	8 ,000
7. United Provinces .	...	...	3,13,223	3,21,000	3,29,000	3,21,000
8. Punjab . . .	3,76,890	2.76,849	1,48,288	1,45,000	1,41,000	1,44,000
9. Madras . . .	44,96,519	44,96,519	44,96,519	44,97,000	44,97,000	44,97,000
10. Bombay . .	13,20,622	13,23,613	10,6 ,911	11,90,000	11,25,000	14,07,000
Eastern Bengal and Assam . . .	50,000	50,100	50,2 0	...	...	...
Bengal (old) . .	52,250	52,250	52,25	...	...	...
TOTAL INDIA R .	88,24,607	91,11,699	89,2 ,074	90,59,000	90,46,000	2,58,000
Equivalent in Sterling £	588,307	607,447	595,005	603,900	603,000	61 ,200

68. The revenue recorded under this head represents tributes received from the protected States, in several cases as a result of exchanges of territory and settlement of claims, and contributions made chiefly in lieu of former obligation to supply or maintain troops. The figures do not ordinarily show any important fluctuations from year to year except for arrears and their recovery. The Re-

Revised, 1912-13. vised estimate for the current year practically repeats the Budget. The Budget

Budget, 1913-14. estimate for 1913-14 provides for normal receipts and for the recovery of arrear contributions from Baroda.

1.—REFUNDS AND DRAWBACKS.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	43,484	41,104	47,452	42,000	45,000	42,000
2. Delhi	...	...	...	...	2,000	6,000
3. Baluchistan	4,613	3,438	9,435	4,000	5,000	5,000
4. North-West Frontier	39,694	29,207	19,945	24,000	24,000	24,000
5. Other Provinces	50,86,374*	18,73,067	26,74,561	20,36,000	24,32,000	23,17,000
Total	51,74,165	19,46,816	27,51,393	21,06,000	25,08,000	23,94,000
Divided and Provincial.						
1. Central Provinces	1,30,512	73,314	86,508	84,000	83,000	76,000
2. Burma	2,29,920	2,55,456	2,47,386	2,45,000	2,84,000	2,58,000
3. Assam	...	...	...	26,000	33,000	29,000
4. Bengal (new)	...	...	...	2,51,000	2,88,000	2,61,000
5. Bihar and Orissa	...	...	...	76,000	84,000	78,000
6. United Provinces	2,22,809	2,27,181	1,93,452	2,05,000	2,03,000	2,11,000
7. Punjab	1,45,351	1,47,756	1,54,029	1,49,000	1,65,000	1,62,000
8. Madras	3,21,867	3,69,324	3,91,708	2,91,000	3,46,000	3,31,000
9. Bombay	9,75,977	7,47,430	7,97,576	6,50,000	7,49,000	7,22,000
Eastern Bengal and Assam	79,418	1,41,000	1,17,038	...	...	...
Bengal (old)	2,73,264	2,76,060	2,95,058	...	...	...
Total	23,79,118	22,37,521	22,82,755	19,77,000	22,38,000	21,28,000
TOTAL INDIA ₹	75,53,283	41,84,337	50,34,148	40,83,000	47,46,000	45,22,000
Equivalent in Sterling £	503,552	278,956	335,610	272,200	316,400	301,500

* Includes 33,79,804 on account of Opium Refunds in Bombay.

(*a*) *Imperial.*

69. The wholly Imperial expenditure shown against "Other provinces" represents refunds and drawbacks in respect of wholly Imperial revenue (*e.g.*, Opium, Salt, Customs and Tributes). The increase of ₹4·02 lakhs in the Revised estimate over the Budget for 1912-13 occurs mainly under refunds of customs duty and is due to a change in the method of accounting in Bombay by which duty paid in advance, pending the final settlement of the amount, is now credited as revenue, instead of under a deposit head, any excess over the correct amount being charged as Refunds when it is returned to the party concerned. The Budget estimate for 1913-14 does not differ materially from the Revised for 1912-13.

Revised, 1912-13.

Budget, 1913-14.

(*b*) *Divided and Provincial.*

70. The expenditure fluctuates considerably from year to year and is difficult to estimate. In 1912-13 the Budget will be exceeded by ₹2 61 lakhs owing chiefly to special refunds of Excise revenue in Bombay and to higher refunds of Land revenue in several provinces. For 1913-14 a normal expenditure has been assumed.

Revised, 1912-13.

Budget, 1913-14.

2.—ASSIGNMENTS AND COMPENSATIONS.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
Imperial.						
1. India General . .	32,53,920	32,22,287	31,42,898	32,39,000	31,86,000	31,83,000
2. Delhi . . .	...	...	...	...	4,000	7,000
3. Baluchistan . .	2,02,224	2,01,679	2,01,390	2,01,000	2,01,000	2,01,000
4. North-West Frontier	19,561	18,316	17,819	18,000	20,000	18,000
5. Other Provinces .	35,00,923	34,81,774	36,19,308	35,47,000	35,57,000	35,28,000
Total .	69,76,628	69,24,056	69,81,415	70,05,000	69,68,000	69,42,000
Divided and Provincial.						
1. Central Provinces .	41,738	34,603	34,118	39,000	40,000	89,000
2. Burma . . .	400	60	989	1,000	1,000	1,000
3. Assam . . .	...	...	...	32,000	32,000	33,000
4. Bengal (new) . .	...	...	...	62,000	70,000	66,000
5. Bihar and Orissa .	...	...	...	92,000	1,10,000	1,48,000
6. United Provinces .	2,96,939	3,05,047	2,80,026	3,13,000	2,98,000	2,98,000
7. Punjab . . .	83,655	83,391	67,676	78,000	70,000	69,000
8. Madras . . .	5,66,220	5,38,910	5,44,335	5,60,000	5,62,000	5,39,000
9. Bombay . . .	1,02,01,508	1,01,66,559	1,02,01,357	1,02,41,000	1,02,47,000	1,03,59,000
Eastern Bengal and Assam . . .	67,882	60,648	56,372	...	...	...
Bengal (old) . .	1,30,724	1,29,024	1,57,435	...	...	...
Total .	1,13,89,066	1,13,18,242	1,13,42,308	1,14,18,000	1,14,30,000	1,16,02,000
TOTAL INDIA ₹	1,83,65,694	1,82,42,298	1,83,23,723	1,84,23,000	1,83,98,000	1,85,44,000
Equivalent in Sterling £	1,224,380	1,216,153	1,221,581	1,228,200	1,226,500	1,236,300

(*a*) *Imperial.*

71. The figures show little variation and call for no remark. The wholly Imperial expenditure shown against "Other Provinces" represents Opium, Salt and Customs compensations paid to Native States and Foreign Governments, as well as Miscellaneous compensations (*i e.*, those of a general character and not intended to indemnify against loss of a particular kind of revenue) in provinces other than Bombay.

(*b*) *Provincial.*

72. The expenditure in 1912-13 will not differ materially from the Budget provision. The increase of R1·72 lakhs provided in the Budget for 1913-14 over the Revised estimate for the current year occurs chiefly in connection with the resumption of certain *abkari* rights in Bombay and the Central Provinces.

XII.—INTEREST RECEIPTS.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. Interest on Imperial loans and advances . .	42,79,584	41,14,612	39,20,707	36,61,000	38,39,000	37,14,000
2. Profits of Paper Currency Circulation . .	34,70,420	34,70,420	34,70,420	34,70,000	34,70,000	34,70,000
3. Interest on overdrawn Capital of Railway Companies in India .	20,60,085	27,41,654	24,21,272	25,27,000	26,47,000	30,77,000
4. Interest charged to Capital on advances to Railway Companies .	3,57,338	4,33,384	5,33,823	6,29,000	6,05,000	5,17,000
5. Miscellaneous items .	76,584	81,943	1,42,706	1,04,000	1,43,000	1,52,000
TOTAL ₹	1,02,44,011	1,08,42,013	1,04,88,928	1,03,91,000	1,07,04,000	1,09,30,000
Provincial.						
1. Central Provinces .	2,54,085	2,52,242	2,17,160	1,91,000	1,90,000	1,81,000
2. Burma . . .	1,13,423	1,09,321	1,26,882	1,47,000	1,47,000	1,48,000
3. Assam . . .	...	...	...	18,000	15,000	47,000
4. Bengal (new) . .	...	...	...	5,06,000	4,90,000	4,85,000
5. Bihar and Orissa .	...	...	...	2,48,000	2,18,000	1,94,000
6. United Provinces .	16,19,313	15,99,518	13,58,202	11,92,000	13,72,000	11,72,000
7. Punjab . . .	3,54,733	2,87,617	2,58,248	3,00,000	2,57,000	2,34,000
8. Madras . . .	3,58,249	4,18,946	4,42,611	4,45,000	4,50,000	4,62,000
9. Bombay . . .	13,59,182	13,69,088	11,03,205	10,9 ,000	11,23,000	14,04,000
Eastern Bengal and Assam . . .	1,51,083	1,72,760	1,60,798	...	...	...
Bengal (old) . .	7,94,808	7,48,081	7,20,044	...	...	...
TOTAL ₹	50,04,826	49,57,573	43,87,150	41,45,000	42,62,000	43,27,000
TOTAL INDIA ₹	1,52,48,837	1,57,99,586	1,48,76,078	1,45,36,000	1,49,66,000	1,52,57,000
Equivalent in Sterling £	1,016,589	1,053,306	9,91,739	969,100	997,700	1,017,100
ENGLAND.						
1. Profits of Paper Currency Circulation . . .	37,374	37,374	68,001	78,200	78,200	78,200
2. Interest realised from investment of cash balances .	130,070	374,403	376,053	180,000	388,000	192,000
3. Interest on advances to the Imperial Bank of Persia for the purpose of the Persian Government . .	...	...	12,571	...	...	...
4. Miscellaneous . .	310	356	377	...	...	...
TOTAL £	167 754	412,133	457,002	258,200	466,200	270,200
TOTAL RECEIPTS £	1,184,343	1,465,439	1,448,741	1,227,300	1,463,900	1,287,300
Loans and advances outstanding March 31:—						
1. Imperial . £	6,843,998	6,639,577	6,435,732	6,625,677	6,246,032	6,230,932
2. Provincial . £	6,011,458	5,480,290	5,646,902	6,038,890	5,839,002	5,959,102

(a) *India-Imperial.*

Revised, 1912-13.

73 The total revenue in 1912-13 is now expected to be ₹3 13 lakhs more than the Budget estimate. The principal items contributing to this improvement are an increase of ₹1·78 lakhs in the interest receivable in respect of

Imperial loans and advances, mainly owing to recovery of arrears from Native States in Bombay and the credit to Imperial of the interest due from the Delhi Municipality after 1st October 1912, on loans received by it from Government; and of R1 20 lakhs in the interest payable by railway companies on overdrafts of capital. The total Budget for 1913-14 exceeds the Revised estimate for the current year by R2 26 lakhs, a decrease of R1·25 lakhs in the interest recoverable from Native States due to the absence of the arrears mentioned above, being more than counterbalanced by an increase in the interest payable by railway companies in respect of overdrafts of capital.

Budget, 1913-14.

(*b*) *India-Provincial.*

74. The Revised estimate for 1912-13 is R1·17 lakhs higher than the Budget. An increase of R1·80 lakhs is expected in the United Provinces due to recovery of arrears and a larger issue of advances for wells and of loans in certain districts; but this will be partly counterbalanced by a small net decrease in the other provinces. The Budget estimate for 1913-14 provides for a decrease of R2 lakhs in the United Provinces owing to the absence of the arrears realised in the current year. On the other hand in Bombay there is an increase of R2 81 lakhs owing to expected recovery of arrears from Native States and from cultivators; and the total Budget for 1913-14 is slightly higher than the Revised estimate for the current year.

Revised, 1912-13.

Budget, 1913-14.

(*c*) *England.*

75. The receipts in England in the current year are expected to show a considerable improvement of R31·20 lakhs (£208,000) over the Budget estimate. The whole of this increase occurs in the interest realised from the investment of the cash balances of the Home Treasury and is due to the amounts available for investment being much larger and the rate of interest higher than was estimated. The decrease of R29·40 lakhs (£196,000) in the Budget estimate for 1913-14 as compared with the Revised for the current year also occurs wholly in this item of revenue. The cash balances of the Home Treasury next year are not expected to remain as high as in the current year.

Revised, 1912-13.

Budget, 1913-14.

13 AND 14.—INTEREST EXPENDITURE.

		Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Interest on Debt other than that charged to Railways—							
Interest on total Debt—							
1. India	₹	4,84,98,139	4,81,21,945	4,88,93,847	5,10,50,000	5,00,00,000	5,15,00,000
	£	3,233,209	3,208,130	3,259,590	3,403,400	3,333,400	3,433,300
2. England	£	5,519,190	5,781,552	6,022,639	6,171,700	6,204,100	5,912,800
Total		8,752,399	8,989,682	9,282,229	9,575,100	9,537,500	9,346,100
Deduct amounts charged to—							
(*a*) Railways:							
(*i*) India	₹	*4,22,83,760*	*4,30,61,629*	*4,56,26,525*	*4,86,94,000*	*4,97,64,000*	*5,37,06,000*
(*ii*) England	£	*2,818,917*	*2,870,775*	*3,041,768*	*3,246,300*	*3,317,600*	*3,580,400*
	£	*3,303,274*	*3,396,910*	*3,622,442*	*3,694,900*	*3,784,300*	*3,806,800*
Total Railways	£	*6,127,191*	*6,267,685*	*6,664,210*	*6,941,200*	*7,101,900*	*7,387,200*
(*b*) Irrigation:							
(*i*) India	₹	*1,42,53,680*	*1,50,45,994*	*1,59,94,080*	*1,68,45,000*	*1,74,57,000*	*1,84,94,000*
(*ii*) England	£	*950,246*	*1,003,066*	*1,066,272*	*1,123,000*	*1,163,800*	*1,232,900*
	£	*108,465*	*112,344*	*116,595*	*118,500*	*124,800*	*126,900*
Total Irrigation	£	*1,058,711*	*1,115,410*	*1,182,867*	*1,241,500*	*1,288,600*	*1,359,800*
Total deduction	£	*7,185,902*	*7,383,095*	*7,847,077*	*8,182,700*	*8,390,500*	*8,747,000*
Interest on Ordinary Debt	£	1,566,497	1,606,587	*1,435,152*	1,392,400	1,147,000	599,100
Distribution of above—							
Imperial	£	1,345,455	1,406,157	1,239,316	1,186,300	946,600	394,200
Provincial	£	221,042	200,430	195,836	206,100	200,400	204,900
Interest on other Obligations—							
On Savings Bank Balances converted at ₹15=£1	£	381,337	405,483	451,902	499,700	506,500	555,100
Other items	£	167,211	156,832	150,681	153,100	154,400	155,800
TOTAL	£	548,548	562,315	602,583	652,800	660,900	710,900
GRAND TOTAL	£	2,115,045	2,168,902	2,037,735	2,045,200	1,807,900	1,310,000
Debt outstanding, March 31—		£	£	£	£	£	£
Sterling		176,105,911	182,998,335	182,986,597	179,599,635	179,508,997	177,727,797
Rupee Debt—		₹	₹	₹	₹	₹	₹
4 per cent.		3,67,06,275	3,55,00,000	3,43,00,000	3,31,00,000	3,31,00,000	3,19,00,000
3½ per cent.		1,22,60,40,100	1,24,84,19,400	1,26,91,37,600	1,29,97,39,400	1,29,93,91,600	1,32,98,21,900
3 per cent.		9,39,25,800	8,53,20,800	8,44,88,100	8,37,84,800	8,41,93,100	8,36,93,100
Other Debt		1,17,60,930	1,17,31,955	1,17,10,505	1,16,84,955	1,16,70,505	1,16,31,505
Savings Bank Balances		19,48,83,468	21,14,72,500	23,78,20,070	25,69,34,500	26,29,74,070	28,44,10,070

Interest on Ordinary Debt.

Interest on total debt, 1912-13.

76. The expenditure in 1912-13 on account of interest payable on the public debt as a whole falls short of the Budget estimate by ₹5·64 lakhs (£37,600). There is an increase of ₹4·86 lakhs (£32,400) in England due to the average price of issue of the new sterling loan of the year being lower than was anticipated. But on the other hand, a decrease of ₹10·50 lakhs is expected in India, mainly in consequence of a large saving in the provision for discount on the new rupee loan of the year. In the Budget of 1913-14 necessary provision has been made for a full year's interest on the sterling loan of £3 million and the rupee loan of 3 crores raised in the current year; and for the service of the new rupee loan which it is contemplated to raise in 1913-14. But the total expenditure will fall short of that in 1912-13 by ₹28·71 lakhs (£191,400) owing to the absence of the heavy discount paid in the current year on the sterling loan issued in April 1912.

1913-14.

Transfers to Railway and Irrigation Accounts.

77 The amount of interest transferred to the Railway and Irrigation sections of the accounts depends firstly, on the capital expenditure; secondly on the actual payment of interest on that portion of the debt which has been incurred specifically on account of the construction or purchase of railways or irrigation works; and thirdly, on the rate at which interest is charged on that portion of the debt which has not been specifically raised for the above purpose. Our practice is to adopt for this adjustment the average rate of interest actually paid in respect of the whole of the non-specific debt in the latest year for which practically complete accounts are available. The result is that the rate adopted in calculating the Revised estimate for a year is generally different from that used for the Budget estimate; and this leads to a difference between the two estimates apart from that caused by a variation in the capital expenditure itself. The large increase of ₹31·17 lakhs (£207,800) in the Revised estimate of total interest to be transferred in 1912-13, as compared with the Budget, is due partly to an increase in the rate, and partly to an increase in the amount of funds supplied by Government for capital expenditure on State Railways (*vide* paragraph 228). The increase in the amount of interest to be transferred in 1913-14 over the Revised estimate for 1912-13 is almost wholly due to the progress of capital expenditure.

Transfers to Provincial.

78. A portion of the interest on Ordinary Debt appears in the Provincial section of the accounts. Provincial Governments are authorised to grant advances to cultivators (as well as to certain other people in special cases) under various Acts, to landholders and notabilities apart from the provisions of any law, and to municipalities and local bodies (other than Presidency Corporations), out of amounts annually placed at their disposal by the Government of India. The interest actually levied on such advances is credited as Provincial revenue. But interest at 3½ per cent. a year is charged to the Local Governments on the mean between the outstanding balances of the Provincial Loan Accounts at the commencement of the year and at its close; and this is done by transferring the amount so calculated from the Imperial to the Provincial section under Interest on Ordinary Debt. The differences between the Budget and the Revised estimates of the amount to be so transferred in the current year, and between the latter and the Budget estimate of 1913-14, are explained by the variations in the outstanding balances of the Provincial Loan Account as shown in the table at page 51.

Interest on other Obligations.

Revised, 1912-13.

Budget, 1913-14.

79. The increase of ₹1·21 lakhs (£8,100) in the Revised estimate of the current year over the Budget provision occurs almost wholly in the interest payable by the Post Office Savings Banks, the deposits in which have grown more largely than was anticipated (*vide* paragraph 262). In 1913-14 provision has been made for a further increase in the interest payable on the deposits in the Post Office Savings Banks and in the State Provident Funds, consequent on a growth in the deposits themselves.

XIII AND 15—POST OFFICE.

—	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
REVENUE.						
INDIA.						
1. Sale of postage stamps for postal purposes . .	2,39,68,200	2,47,43,396	2,65,20,731	2,76,09,000	2,80,49,000	2,92,74,000
2. Commission on money orders .	47,61,044	50,06,943	52,80,818	54,50,000	56,45,000	59,50,000
3. Other receipts .	1,79,107	2,03,497	2,12,630	2,25,000	1,98,000	1,88,000
TOTAL . ₹	2,89,08,431	2,99,53,836	3,20,14,179	3,32,84,000	3,38,92,000	3,54,12,000
Equivalent in Sterling £	1,927,229	1,996,922	2,134,279	2,218,900	2,259,500	2,360,800
EXPENDITURE.						
INDIA.						
1. Establishment charges . . .	1,93,63,086	1,98,16,325	2,07,61,690	2,07,47,000	2,07,94,000	2,10,50,000
2. Conveyance of mails	66,12,372	64,94,536	65,50,160	71,47,000	69,29,000	70,54,000
3. Stationery and Printing . . .	12,09,062	11,63,774	9,43,033	9,86,000	10,85,000	10,50,000
4. Cost of stamps and stamp paper . .	8,36,339	8,71,622	9,54,029	9,45,000	8,25,000	6,59,000
5. Other items . .	59,967	60,721	94,319	94,000	92,000	91,000
TOTAL . ₹	2,80,83,826	2,84,06,978	2,93,03,231	2,99,19,000	2,97,25,000	2,99,04,000
Equivalent in Sterling £	1,872,255	1,893,798	1,953,549	1,994,600	1,981,700	1,993,600
ENGLAND.						
1. Contribution to Eastern mail subsidy .	54,588	54,588	54,588	54,600	54,600	54,600
2. Stores, etc. . .	739	2,506	333	...	100	9,000
TOTAL . £	55,327	57,094	54,921	54,600	54,700	63,600
TOTAL OF EXPENDITURE . £	1,927,582	1,950,892	2,008,470	2,049,200	2,036,400	2,057,200
TOTAL NET REVENUE £	—353	46,030	125,809	169,700	223,100	303,600

REVENUE.

80. General prosperity and briskness of trade have led to a larger growth of revenue under this head in the current year than was allowed for in the Budget; and the Revised estimate shows an improvement of ₹6·08 lakhs. In the Budget of 1913-14 provision has been made for a further moderate advance of ₹15·20 lakhs. *Revised, 1912-13.* *Budget, 1913-14.*

EXPENDITURE.

81. The total expenditure in 1912-13 is expected to fall short of the Budget grant by ₹1·92 lakhs. An increase of ₹·47 lakh under establishment, mainly in consequence of the grant of grain compensation allowance, and of ₹·99 lakh under stationery and printing necessitated by the revision of a large number of postal forms, will be more than counterbalanced by a lapse in the grant for conveyance of mails and by savings in the cost of stamps owing to the reduced rates now charged on their supply. The total Budget estimate for 1913-14 exceeds the Revised for the current year by ₹3·12 lakhs only. Due provision has been made for the normal development of the operations of the Department; but it is obscured to some extent by a decrease in the stationery and printing charges arising from the absence of the special expenditure in the current year mentioned above, and by a further reduction in the cost of stamps. *Revised, 1912-13.* *Budget, 1913-14.*

XIV AND 16—TELEGRAPH.

—	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
REVENUE.						
I. INDIAN:						
1. Message Revenue.	83 82.222	93,58,253	1,03,76,535	1,03,40,000	1,07,94,000	1,15,45,000
2. Other Revenue .	33,27,074	33,46,165	36,55,083	35,35,000	37,42,000	37,50,000
TOTAL . ₹	1,17,09,296	1,27,04,418	1,40,31,618	1,38,75,000	1,45,36,000	1,52,95,000
TOTAL . £	780,620	846,961	935,441	925,000	969,100	1,019,700
II. INDO-EUROPEAN:						
1. Message Revenue.	17,52,281	21,66,925	21,90,149	20,00,000	24,80,000	24,85,000
2. Other Revenue .	18,278	20,984	14,776	19,000	21,000	21,000
TOTAL . ₹	17,70,559	21,87,909	22,04,925	20,19,000	25 01,000	25,06,000
TOTAL . £	118,037	145,861	146,995	134,600	166,700	167,100
England (mainly Message Revenue). £	4,194	4,337	4,989	5,500	6,200	5,000
TOTAL £	122,231	150,198	151,984	140,100	172,900	172,100
GRAND TOTAL £	902,851	997,159	1,087,425	1,065,100	1,142,000	1,191,800
EXPENDITURE.						
I. INDIAN:						
1. Revenue . £	766,597	748,976	785,290	835,300	821,700	864,400
2. Capital . £	150,770	128,907	208,891	132,000	182,100	226,600
TOTAL £	917,367	877,883	994,181	967,300	1,003,800	1,091,000
II. INDO-EUROPEAN:						
1. Revenue . £	72,945	99,246	97,180	114,700	112,300	121,700
2. Capital . £	2,121	—297	2,573	12,500	5,000	18,300
TOTAL £	75,066	98,949	99,753	127,200	117,300	140,000
GRAND TOTAL £	992,433	976,832	1,093,934	1,094,500	1,121,100	1,231,000
TOTAL NET REVENUE £	—89,582	20,327	—6,509	—29,400	20,900	—39,200

REVENUE.

Revised, 1912-13. 82. Here also the favourable economic conditions of the current year have led to a larger growth of revenue than was assumed in the Budget, and improvements of ₹6·61 lakhs and ₹4·92 lakhs respectively are expected in the receipts of the Indian and the Indo-European Departments. The Budget estimate for 1913-14 *Budget, 1913-14.* provides for a further advance of ₹7·59 lakhs in the revenue of the Indian Department; but in view of the very considerable development which has taken place in the receipts of the Indo-European Department in 1912-13 it is not considered prudent to budget for a further growth here next year.

EXPENDITURE.

(*a*) *Indian.*

Revised, 1912-13.

83. The total expenditure in the current year is expected to exceed the Budget grant by ₹5·47 lakhs (£36,500). There is a saving of ₹2·04 lakhs (£13,600) in the revenue expenditure, due mainly to lapses in the grants for establishments and other general charges and to smaller outlay on line repairs. But this is more than counterbalanced by an increase of ₹7·51 lakhs (£50,100) in the capital expenditure chiefly in connection with the installation and equipment of radio offices.

Budget, 1913-14.

84. The Budget estimate for 1913-14 is taken at ₹13·08 lakhs (£87,200) more than the Revised for 1912-13. There is an increase of ₹6·40 lakhs (£42,700) in the Revenue expenditure owing chiefly to full provision for sanctioned establishments, higher working expenses resulting from the growth in traffic, and contemplated outlay on the remodelling of existing wireless stations in the Bay of Bengal. Capital expenditure will also go up by ₹6·68 lakhs (£44,500) to provide for the requirements of radio stations.

(*b*) *Indo-European.*

Revised, 1912-13.

85. The total expenditure in the current year will fall short of the Budget by ₹1·49 lakhs (£9,900), the decrease being made up of lapses of ₹1·13 lakhs (£7,500) and ₹·36 lakh (£2,400) respectively in the capital and revenue grants. The saving in the capital account is caused by the postponement for yet another year of the reconstruction of the Arabistan telegraph line and work on certain buildings in Persia, and would have been higher but for the utilisation of a portion of the available funds in the building of radio offices in the Persian Gulf.

Budget, 1913-14.

86. The Budget estimate for 1913-14 is taken at ₹3·40 lakhs (£22,700) higher than the Revised for the current year. Provision has been made for capital outlay on most of the construction works postponed in the current year as well as on the radio offices, for repairs to the cable steamer, and for working expenses of the radio offices.

XV AND 17.—MINT.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
REVENUE.						
INDIA.						
1. Percentage chargeable on coinage of new rupees	...	...	...	...	3,204,000	...
2. Profit on circulation of—						
(a) Nickel coins	14,38,629	19,82,089	24,35,338	20,00,000	25,00,000	20,00,000
(b) Bronze coins	...	5,36,738	9,02,671	5,00,000	15,00,000	10,00,000
3. Fees for coining dollars, etc.	3,16,019	3,28,591	17,92,657	5,00,000	5,00,000	5,00,000
4. Other items	1,34,645	94,235	3,73,786	86,000	2,76,000	1,09,000
TOTAL ₹	18,89,293	29,41,653	55,04,452	30,86,000	79,80,000	36,09,000
TOTAL £	125,953	196,110	366,963	205,700	532,000	240,600
England £	...	...	137	...	...	...
TOTAL £	125,953	196,110	67,100	205,700	532,000	240,600
EXPENDITURE.						
INDIA.						
1. Establishment charges	6,69,379	6,91,459	7,91,732	7,54,000	8,94,000	7,69,000
2. Purchase of stores	77,055	1,11,278	2,01,189	1,45,000	2,25,000	1 45,000
3. Loss on Bronze coinage	7,42,899	...	...	...	...	...
4. Loss on re-coining old silver coins	3,63,894	4,08,345	3,93,294	4,50,000	4,78,000	5,00,000
5. Other coinage losses	82,197	93,591	2,77,325	66,000	4,31,000	19,000
TOTAL ₹	19,35,424	13,04,673	16,63,540	14,15,000	20,28,000	14,33,000
TOTAL £	129,028	86,978	110,903	94,300	135,200	95,600
England £	14,730	5,391	5,604	7,100	7,100	8,100
TOTAL £	143,758	92,369	116,507	101,400	142,300	103,700
TOTAL NET REVENUE £	—17,805	103,741	250,593	104,300	389,700	136,900

REVENUE.

Revised, 1912-13. 87. The Revised estimate for 1912-13 exceeds the Budget by ₹48·94 lakhs. Of this increase ₹32·04 lakhs are contributed by the seigniorage on the coinage of rupees from purchased silver. An important increase of ₹15 lakhs is also expected in the profit on the circulation of subsidiary nickel and bronze coins the demand for which has been stimulated by the activity of trade. The resumption of the coinage of new rupees will also result in an increase in the operative gains included under "Other items" in the above table, but this will be counterbalanced by an increase the debits on account of operative losses.

Budget, 1913-14. 88. The Budget estimate for 1913-14 is taken at ₹43·71 lakhs less than the Revised estimate for the current year, the decrease being due to the absence of the seigniorage and other special receipts of the current year and to a moderate provision for profit on the circulation of subsidiary nickel and bronze coins.

EXPENDITURE.

Revised 1912-13. 89. The excess of ₹6·13 lakhs in the expenditure in the current year over the Budget estimate is caused by the heavy coinage of rupees from purchased silver. *Budget, 1913-14.* The Budget for 1913-14 provides for normal operations only.

18.—GENERAL ADMINISTRATION.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
INDIA.	₹	₹	₹	₹	₹	₹
Imperial.						
1. Cost of the Central Government:						
(i) Salary and expenses of the Governor-General	10,62,546	11,78,964	11,20,363	11,66,000	11,10,000	11,54,000
(ii) Executive Council	4,31,088	4,19,420	4,63,122	4,67,000	4,77,000	4,67,000
(iii) Legislative Council	96,876	1,39,493	1,47,798	1,52,000	1,48,000	1,47,000
(iv) Charges of the Secretariats	33,17,664	35,34,858	36,21,923	33,07,000	34,58,000	33,35,000
(v) Cost of administration of the Imperial headquarters at Delhi	...	...	...	5,00,000	...	...
2. Offices of Account and Audit	28,91,989	28,28,318	37,26,608	38,61,000	37,20,000	37,69,000
3. Currency Department and Reserve Treasury	5,76,074	6,07,769	6,52,274	6,57,000	6,96,000	7,08,000
4. Payments to Presidency Banks for treasury and public debt work	3,40,735	3,49,250	3,57,710	3,57,000	3,64,000	3,67,000
5. Ajmer-Merwara Administration	3,527	1,972	6,099	2,000	9,000	3,000
6. Royal visit and Coronation Durbar	...	1,64,454	66,66,058	...	—42,000	...
7. Delhi	...	...	...	...	49,000	1,10,000
8. North-West Frontier Administration	3,13,473	3,17,266	3,09,152	3,47,000	3,56,000	3,47,000
Total	90,33,972	95,41,764	1,70,71,107	1,08,16,000	1,03,45,000	1,04,07,000
Provincial.						
1. Central Provinces	8,42,364	8,93,760	10,69,052	8,94,000	8,65,000	9,77,000
2. Burma	14,27,642	14,83,411	19,07,353	15,43,000	15,39,000	15,40,000
3. Assam	...	...	...	5,70,000	5,85,000	5,62,000
4. Bengal (new)	...	...	...	22,00,000	24,50,000	23,02,000
5. Bihar and Orissa	...	...	...	12,65,000	12,31,000	13,41,000
6. United Provinces	16,29,833	18,22,599	19,63,228	17,16,000	17,10,000	16,90,000
7. Punjab	10,52,403	11,32,920	13,64,724	11,69,000	12,40,000	11,58,000
8. Madras	12,09,190	12,55,461	18,19,549	13,11,000	13,81,000	13,78,000
9. Bombay	16,13,289	17,19,693	27,54,973	18,31,000	18,56,000	18,79,000
Eastern Bengal and Assam	12,32,564	12,73,699	18,89,451	...	...	...
Bengal (old)	19,01,892	19,91,451	29,18,136	...	...	...
Total	1,09,09,177	1,15,72,994	1,56,86,466	1,24,99,000	1,28,57,000	1,28,27,000
TOTAL INDIA	1,99,43,149	2,11,14,758	3,27,57,573	2,33,15,000	2,32,02,000	2,32,34,000
	£	£	£	£	£	£
Equivalent in Sterling	1,329,543	1,407,651	2,183,838	1,554,300	1,546,800	1,548,900
ENGLAND.						
1. Cost of the Secretary of State's establishment, etc.	265,546	275,777	266, 85	260,700	260,700	259,400
2. Stores, etc., for India	60,690	72,832	114,442	89,000	119,700	130,600
3. Royal Visit and Coronation Durbar	...	...	61,476	...	400	...
TOTAL £	326,236	348,609	442,403	349,700	380,800	390,000
GRAND TOTAL £	1,655,779	1,756,260	2,626,241	1,904,000	1,927,600	1,938,900

(*a*) *India—Imperial.*

90. In the Budget estimate for the current year, a lump provision of R5 lakhs was made for the cost of administration of the Imperial Capital at Delhi. The expenditure incurred on this account is being recorded under the proper heads. Only the pay and other charges of the Chief Commissioner and his secretariat staff will be recorded under this head; and these are expected to amount to R·49 lakh in 1912-13, while a provision of R1·10 lakhs has been made in next year's Budget to meet a full year's expenditure.

Revised, 1912-13. 91. Omitting the Delhi figures, the total expenditure in 1912-13 will amount to R102·96 lakhs against a Budget grant of R103·16 lakhs, while the Budget for 1913-14 has been fixed at R102·97 lakhs. In the current year an excess of R1·51 lakhs under Secretariat charges, due to the employment of additional officers in connection with special work and to higher expenditure on the enquiry on prices, will be more than counterbalanced by a saving of R·59 lakh in the tour expenses of His Excellency the Viceroy, and by a net decrease of R1·02 lakhs in the cost of the Account and Currency Departments caused by the debit of a portion of the expenditure to the public works heads of account. In 1913-14 there will be a reduction of R1·23 lakhs in the Secretariat charges owing to the termination of the enquiry on prices and the absence of special expenditure incurred in the current year; but on the other hand normal provision has been made for the Viceregal tours and there will be an increase in the cost of the Account and Currency Departments in consequence of the contemplated separation of the functions of the Comptroller-General and the appointment of a Controller of Currency.

Budget, 1913-14.

(*b*) *Provincial.*

Revised, 1912-13. 92. The total Revised for 1912-13 exceeds the Budget estimate by R3·58 lakhs. The bulk of the increase occurs in Bengal (R2·50 lakhs) and is due to the retention of the Board of Revenue and to higher expenditure on the purchase of pictures and the supply of crockery for Government House, and on the movement of records. The balance of the excess, *viz.*, R1·08 lakhs, is contributed by certain arrear charges in connection with the Royal visit in the Punjab and some other provinces and by other unimportant variations.

Budget, 1913-14. 93. The total Budget for 1913-14 does not differ materially from the Revised estimate for the current year. Savings of R1·48 lakhs and R·82 lakh respectively are expected in Bengal and the Punjab owing to the absence of the non-recurring and special expenditure incurred in the current year. But these will be nearly counterbalanced by an increase of R1·10 lakhs in Bihar and Orissa where provision has been made for a full year's cost of the Executive Council and certain head-quarters establishments; and of R1·12 lakhs in the Central Provinces caused by lump allotments for the provincial Legislative Council, a separate Inspector-General of Registration, the revision of the office of the Excise Commissioner, and a new railway saloon for the Chief Commissioner.

(*c*) *England.*

94. The excess over the Budget grant in the current year and the further increase provided for in the Budget of 1913-14 are mainly due to higher demands for currency note forms.

XVI A and 19 A.—LAW AND JUSTICE—COURTS OF LAW.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	3,38,868	3,27,377	3,27,874	3,24,000	3,44,000	3,19,000
2. Delhi	...	...	...	...	59,000	1,75,000
3. Baluchistan	27,965	25,940	22,627	20,000	21,000	21,000
4. North-West Frontier	5,52,444	5,70,203	5,79,956	6,34,000	6,06,000	6,33,000
Total	9,19,277	9,23,520	9,30,457	9,78,000	10,30,000	11,48,000
Provincial.						
Central Provinces	24,75,896	25,05,636	25,24,371	26,02,000	25,78,000	26,24,000
2. Burma	45,35,553	47,51,224	47,65,051	48,68,000	48,98,000	49,36,000
3. Assam	...	...	...	8,35,000	8,93,000	9,38,000
4. Bengal (new)	...	...	...	98,39,000	98,05,000	96,10,000
5. Bihar and Orissa	...	...	...	31,19,000	31,34,000	32,58,000
6. United Provinces	59,05,155	60,05,317	62,23,925	61,27,000	61,59,000	62,98,000
7. Punjab	38,06,523	40,93,760	42,17,010	42,68,000	41,66,000	41,86,000
8. Madras	56,99,101	59,22,747	62,19,485	63,36,000	66,11,000	65,94,000
9. Bombay	52,61,867	54,54,392	55,30,750	56,60,000	56,79,000	58,72,000
Eastern Bengal and Assam	44,68,912	47,37,231	49,95,633	...	...	...
Bengal (old)	82,75,098	85,91,040	92,76,209	...	...	...
Total	4,04,28,105	4,20,61,347	4,37,52,444	4,36,54,000	4,39,23,000	4,43,16,000
TOTAL INDIA ₹	4,13,47,382	4,29,84,867	4,46,82,901	4,46,32,000	4,49,53,000	4,54,64,000
Equivalent in Sterling £	2,756,492	2,865,658	2,978,860	2,975,500	2,996,900	3,030,900
England £	257	1,372	3,136	1,600	3,200	500
TOTAL £	2,756,749	2,867,030	2,981,996	2,977,100	3,000,100	3,031,400

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	1,34,338	1,14,414	1,56,543	1,18,000	91,000	1,08,000
2. Delhi	...	...	...	...	9,000	19,000
3. Baluchistan	22,117	26,784	23,847	23,000	24,000	24,000
4. North-West Frontier	1,02,499	1,21,617	1,10,253	1,16,000	1,11,000	1,11,000
Total	2,58,954	2,62,815	2,90,643	2,57,000	2,35,000	2,62,000
Provincial.						
1. Central Provinces	2,21,084	2,19,404	2,06,735	2,14,000	2,25,000	2,12,000
2. Burma	4,66,537	4,36,046	5,50,824	5,40,000	6,35,000	6,03,000
3. Assam	...	...	...	1,25,000	1,20,000	1,25,000
4. Bengal (new)	...	...	...	7,25,000	7,77,000	7,65,000
5. Bihar and Orissa	...	...	...	2,75,000	2,80,000	2,83,000
6. United Provinces	6,01,793	6,15,943	6,48,725	6,34,000	6,83,000	6,69,000
7. Punjab	4,06,377	4,35,651	4,34,527	4,38,000	4,73,000	4,63,000
8. Madras	8,44,767	9,44,878	9,22,333	9,62,000	10,07,000	9,95,000
9. Bombay	5,98,944	6,07,512	6,57,846	6,55,000	7,15,000	7,15,000
Eastern Bengal and Assam	4,00,907	4,43,257	4,51,058	...	...	...
Bengal (old)	6,00,716	6,94,441	6,92,199	...	...	...
Total	41,41,125	43,97,132	45,64,247	45,68,000	49,15,000	48,30,000
TOTAL ₹	44,00,079	46,59,947	48,54,890	48,25,000	51,50,000	50,92,000
Equivalent in Sterling £	293,339	310,663	323,660	321,700	343,300	339,500

EXPENDITURE.

(*a*) *Imperial.*

95. Excluding Delhi, the figures show little variation and call for no remark.

(*b*) *Provincial.*

Revised, 1912-13.

96. The total Revised estimate for 1912-13 exceeds the Budget by R2·69 lakhs. A large increase of R2·75 lakhs is expected in Madras owing mainly to larger expenditure on grain compensation allowance, the opening of an additional number of temporary subordinate courts and the deputation of a district judge to enquire into the adequacy of the judiciary outside Madras city. The variations in the other provinces are unimportant and do not call for any remark.

Budget, 1913-14.

97. The total Budget for 1913-14 is R3·93 lakhs higher than the Revised estimate for 1912-13. A portion of this increase, *viz.*, R1·43 lakhs, is nominal and is caused by the transfer to this head of certain charges which used to be recorded under "3.—Land Revenue" (see paragraph 28); the balance is shared by all the provinces except Bengal and Madras. Provision for the full cost of sanctioned establishments and for normal growth has been made in all the provinces. Special allotments have also been made in the Central Provinces for the appointment of a third additional Judicial Commissioner; in the Punjab for the re-organisation of the superior judicial service; and in Bengal for the regrading of munsiffs. The resultant increase in expenditure will, however, be more than counterbalanced in Bengal by a large saving in law charges owing to the absence of the special expenditure incurred in the current year in connection with political cases; and in Madras by a reduced provision for grain compensation allowance and the absence of certain items of special outlay incurred in 1912-13.

REVENUE.

(*a*) *Imperial.*

98. The figures do not show any important variation and call for no remark.

(*b*) *Provincial.*

Revised, 1912-13.

99. The total revenue in the current year is expected to exceed the Budget estimate by R3·47 lakhs, the improvement occurring mainly under copying fees realised in cash in Burma, and under magisterial fines in several provinces. The Budget for 1913-14 provides for normal receipts in all the provinces.

Budget, 1913-14.

XVI B and 19 B.—LAW AND JUSTICE—JAILS.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-191 .		Budget, 1913-1914.
				Budget.	Revised.	
Imperial.						
1. India General . .	16,73,617	17,25,414	16,70,412	17,34,000	16,84,000	16,86,000
2. Delhi . . .	...	...	...	...	28,000	65,000
3. Baluchistan . .	30,516	32,019	31,365	31,000	31,000	32,000
4. North-West Frontier .	1,25,123	1,31,858	1,47,837	1,49,000	1,50,000	1,61,000
TOTAL .	18,29,256	18,89,321	18,29,614	19,14,000	18,93,000	19,44,000
Provincial.						
1. Central Provinces .	6,14,104	5,67,818	5,52,623	5,75,000	5,74,000	6,00,000
2. Burma . . .	12,31,706	13,37,102	13,60,332	13,84,000	16,08,000	15,18,000
3. Assam . . .	...	...	...	2,69,000	2,52,000	3,03,000
4. Bengal (new) . .	...	...	...	20,74,000	19,60,000	20,79,000
5. Bihar and Orissa .	...	...	...	13,34,000	11,67,000	12,68,000
6. United Provinces .	20,69,685	19,09,412	18,09,551	19,44,000	18,80,000	19,32,000
7. Punjab . . .	11,06,045	11,09,187	12,27,575	11,90,000	13,03,000	12,63,000
8. Madras . . .	14,86,801	15,09,425	14,06,873	15,00,000	14,00,000	14,10,000
9. Bombay . . .	10,04,522	10,98,691	11,35,616	11,54,000	11,40,000	11,50,000
Eastern Bengal and Assam . . .	9,24,423	9,73,988	9,31,926	...	...	...
Bengal (old) . .	25,29,72	23,73,312	23,86,876	...	...	...
TOTAL .	1,09,67,006	1,08,78,935	1,08,11,372	1,14,24,000	1,12,84,000	1,14,83,000
TOTAL INDIA . Rs.	1,27,96,262	1,27,68,256	1,26,40,986	1,33,38,000	1,31,77,000	1,34,27,000
Equivalent in Sterling £	853,084	851,217	842,732	889,200	878,500	895,100
England . . £	...	...	...	...	...	...
TOTAL £	853,084	851,217	842,732	889,200	878,500	895,100

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
Imperial.						
1. India General . .	2,80,341	3,26,914	3,49,438	3,43,000	3,40,000	3,48,000
2. Delhi . . .	...	...	...	...	10,000	20,000
3. Baluchistan . .	910	723	734	1,000	1,000	1,000
4. North-West Frontier .	17,679	22,978	24,911	24,000	25,000	25,000
TOTAL .	2,98,930	3,50,615	3,75,083	3,68,000	3,76,000	3,94,000
Provincial.						
1. Central Provinces .	2,55,980	1,99,821	2,27,714	2,30,000	2,30,000	2,30,000
2. Burma . . .	4,03,812	3,95,279	4,34,550	4,08,000	4,49,000	4,58,000
3. Assam . . .	...	...	...	1,05,000	85,000	94,000
4. Bengal (new) . .	...	...	...	6,89,000	6,57,000	6,59,000
5. Bihar and Orissa .	...	...	...	5,00,000	5,25,000	5,25,000
6. United Provinces .	3,41,367	3,38,884	3,62,682	3,50,000	3,50,000	3,55,000
7. Punjab . . .	2,54,384	2,82,194	3,40,887	3,43,000	3,23,000	3,10,000
8. Madras . . .	5,05,999	5,50,962	4,63,989	5,00,000	4,90,000	4,90,000
9. Bombay . . .	1,88,536	2,29,460	2,19,507	2,49,000	2,50,000	2,50,000
Eastern Bengal and Assam . . .	3,44,203	2,77,259	3,23,598	...	...	...
Bengal (old) . .	8,59,113	9,42,393	10,52,305	...	...	...
TOTAL .	31,53,394	32,16,252	34,25,232	33,74,000	33,59,000	33,71,000
TOTAL Rs.	34,52,324	5,66,867	38,00,315	37,42,000	37,35,000	37,65,000
Equivalent in Sterling £	230,155	237,791	253,354	249,500	249,000	251,000

EXPENDITURE.

(*a*) *Imperial.*

100. Excluding Delhi, the figures do not show any important variation and call for no remark.

(*b*) *Provincial.*

Revised, 1912-13. 101. The total expenditure in 1912-13 will be ₹1·40 lakhs less than the Budget estimate. Savings in the allotments for the cost of dietary as well as in other grants are expected in all the provinces except Burma and the Punjab. In Burma and the Punjab, the Budget grants will be exceeded by ₹2·24 lakhs and ₹1·13 lakhs respectively, owing to a larger outlay on dietary in the former province caused by necessary replenishment of stock and a rise in the price of paddy, and in the latter to the conversion of the Lahore district jail into a central jail and an increase in the jail population.

Budget, 1913-14. 102. The total Budget estimate for 1913-14 exceeds the Revised estimate for the current year by ₹1·99 lakhs. The grants are generally based on the sanctioned scale of establishments, the probable jail population, the cost of dietary and the requirements for raw materials. Special provision has been made in Bengal for the improvement and stimulation of industries in the jails in the eastern districts; while in the Punjab due allowance has been made for the conversion of the district jails at Rohtak and Jhang into subsidiary jails.

REVENUE.

103. The figures show little variation and call for no remark.

XVII AND 20.—POLICE.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	9,24,880	8,44,699	9,51,235	9,37,000	9,54,000	9,81,000
2. Delhi	...	...	...	...	1,80,000	3,50,000
3. Baluchistan	4,16,376	4,09,057	4,19,242	5,09,000	4,29,000	6,85,000
4. North-West Frontier	15,42,553	15,59,953	16,31,901	16,25,000	15,93,000	17,43,000
Total	28,83,809	28,13,709	30,02,378	30,71,000	31,56,000	37,59,000
Provincial.						
1. Central Provinces	31,05,058	32,06,136	33,45,697	33,00,000	33,26,000	33,43,000
2. Burma	1,17,84,022	1,20,98,874	1,26,76,077	1,26,65,000	1,27,95,000	1,30,23,000
3. Assam	...	...	...	22,27,000	21,01,000	23,86,000
4. Bengal (new)	...	...	...	90,00,000	85,55,000	95,82,000
5. Bihar and Orissa	...	...	...	40,89,000	41,39,000	46,48,000
6. United Provinces	1,02,13,040	1,03,31,881	1,10,42,737	1,12,17,000	1,09,69,000	1,24,10,000
7. Punjab	53,51,066	56,50,190	58,63,176	58,06,000	57,66,000	60,18,000
8. Madras	74,13,011	80,45,389	84,59,187	82,91,000	87,30,000	87,46,000
9. Bombay	93,10,472	94,80,081	1,01,50,038	1,02,26,000	1,02,40,000	1,01,56,000
Eastern Bengal and Assam	50,81,804	53,00,014	58,09,322	...	...	...
Bengal (old)	81,57,764	83,16,042	85,70,975	...	...	...
Total	6,04,16,237	6,24,28,607	6,60,17,209	6,68,21,000	6,66,21,0	7,03, ,000
TOTAL INDIA . ₹	6,33,00,046	6,52,42,316	6,90,19,587	6,98,92,000	6,97,77,000	7,40,71,000
Equivalent in Sterling £	4,220,003	4,349,488	4,601,305	4,659,500	4,651,800	4,938,100
England . . £	2,303	2,124	1,671	1,500	1,600	1,500
TOTAL . £	4,222,303	4,351,612	4,602,977	4,661,000	4,653,400	4,939,600

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	46,888	22,300	25,283	14,000.	19,000	21,000
2. Delhi	...	...	..	...	1,000	3,000
3. Baluchistan	...	36,704	11,243	11,000	10,000	17,000
4. North-West Frontier	82,029	1,11,774	22,980	24,000	31,000	23,000
Total	1,28,917	1,70,778	59,506	49,000	61,000	64,000
Provincial.						
1. Central Provinces	25,335	34,341	32,530	29,000	29,000	30,000
2. Burma	2,05,720	2,23,409	2,78,707	2,37,000	5,02,000	4,75,000
3. Assam	...	...	...	1,06,000	1,10,000	1,14,000
4. Bengal (new)	...	...	...	2,00,000	2,50,000	1,62,000
5. Bihar and Orissa	..	...	...	38,000	65,000	46,000
6. United Provinces	92,183	91,288	91,032	1,01,000	93,000	81,000
7. Punjab	5,69,311	5,80,991	1,78,998	1,56,000	1,92,000	1,77,000
8. Madras	4,91,735	4,64,526	4,75,445	4,66,000	4,98,000	4,76,000
9. Bombay	3,95,538	3,88,422	3,88,184	2,31,000	2,45,000	2,35,000
Eastern Bengal and Assam	1,35,571	1,39,807	1,42,913	...	...	...
Bengal (old)	1,89,940	1,87,030	1,93,750	...	...	...
Total	21,05,333	21,59,814	17,81,559	15,64,000	19,84,000	17,96,000
TOTAL . ₹	22,34,250	23,30,592	18,41,065	16,13,000	20,45,000	18,60,000
Equivalent in Sterling £	148,950	155,373	122,738	107,500	136,300	124,000

EXPENDITURE.

(a) *Imperial.*

104. Of the figures shown against Delhi about R·75 lakh in the current year and R1 lakh in 1913-14 represent additional expenditure required for the policing of the new Imperial Capital. Excluding the Delhi figures, the expenditure in 1912-13 is expected to fall short of the Budget estimate by R·95 lakh owing chiefly to lapses in the allotments for police reforms in Baluchistan and the North-West Frontier Province; while the increase of R4·33 lakhs in the Budget for 1913-14 over the Revised estimate for the current year is mainly due to full provision for the re-organisation of the police in Baluchistan and for the conversion of the border military police in the North-West Frontier Province into frontier constabulary, in accordance with schemes which have been recently sanctioned by the Secretary of State.

Revised, 1912-13.

Budget, 1913-14.

(b) *Provincial.*

Revised, 1912-13.

105. The total expenditure in 1912-13 is expected to fall short of the Budget provision by R2 lakhs only. There is a saving of R4·45 lakhs in Bengal owing to the entire or partial lapse of the lump provisions for the strengthening of the Calcutta city police, the re-organisation of the river police in Eastern Bengal and other police reforms; of R2·48 lakhs in the United Provinces due to a partial utilisation of certain lump allotments for police reforms; and of R1·26 lakhs in Assam owing to the non-utilisation of lump provisions for the re-organisation of the river and other police. In the Punjab also, there will be a small lapse, a saving of about a lakh caused by the transfer of Delhi being partly counterbalanced by increased expenditure on the maintenance of municipal police buildings. On the other hand, there will be a large increase of R4·39 lakhs in Madras in connection with the payment of grain compensation allowance and more rapid progress with the recruitment of additional constables, and of R1·30 lakhs in Burma as the net result of higher cost of punitive police and smaller outlay on the purchase of supplies for the military police; while unimportant excesses over Budget grants are also expected in Bombay, Bihar and Orissa and the Central Provinces.

Budget, 1913-14.

106. The Budget estimate for 1913-14 is taken at R36·91 lakhs higher than the Revised for the current year. A considerable increase of R14·41 lakhs is expected in the United Provinces chiefly in consequence of lump provisions of R11·02 lakhs for the payment from Provincial revenues of village police in Oudh and Gorakhpur, of R3·43 lakhs for the conversion into regular constabulary of the village police in Act XX towns (which is partly counterbalanced by a saving of R1·65 lakhs in the police grants now made to the towns), and of R1·15 lakhs for expenditure in connection with the registration and better control of criminal tribes. Provision for the full cost of the police reforms already introduced, as well as for the introduction of further reform measures has been made in all the provinces; but in Madras and Bombay the resultant growth in expenditure is obscured by smaller allowance for grain compensation and other indirect famine charges.

REVENUE.

(a) *Imperial.*

107. The figures do not show any important variations and call for no remark.

(b) *Provincial.*

Revised, 1912-13.

108. The increase of R4·20 lakhs over the Budget estimate in the current year is mainly due to higher recoveries on account of punitive police employed in certain tracts in Burma, Bengal, Bihar and the Punjab. These special receipts are expected to fall off in the ensuing year; and this accounts for the decrease of R1·88 lakhs in the Budget of 1913-14 as compared with the Revised estimate for the current year.

Budget, 1913-14.

XVIII AND 21.—PORTS AND PILOTAGE.

EXPENDITURE.

		Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Provincial.							
1. Burma		12,57,081	12,42,302	12,64,225	12,86,000	13,00,000	12,49,000
2. Assam		...	...	...	49,000	58,000	52,000
3. Bengal (new)		...	...	...	12,08,000	13,32,000	13,74,000
4. Bihar and Orissa		...	...	...	1,000	1,000	1,000
5. Madras		17,776	23,112	21,138	21,000	26,000	24,000
6. Bombay		59,421	78,185	70,516	68,000	68,000	2,87,000
Eastern Bengal and Assam		1,07,065	91,447	1,13,059	...	...	...
Bengal (old)		11,79,559	12,33,468	12,55,725	...	...	...
Total India	₹	26,20,902	26,67,514	27,24,663	26,33,000	27,85,000	29,83,000
Equivalent in Sterling	£	174,727	177,834	181,644	175,500	185,700	198,900
England	£	52	56	46	100	100	100
TOTAL	£	174,779	177,890	181,690	175,600	185,800	199,000

REVENUE.

		Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Provincial.							
1. Burma		4,81,538	5,00,723	4,83,315	5,00,000	5,05,000	4,98,000
2. Bengal (new)		...	...	...	15,98,000	17,63,000	18,00,000
3. Madras		...	...	105	...	...	...
4. Bombay		87,821	89,816	97,033	95,000	1,00,000	1,00,000
Eastern Bengal and Assam		9,405	8,057	9,509	...	...	...
Bengal (old)		15,22,485	15,99,367	16,80,000	...	...	...
TOTAL	₹	21,01,249	21,97,963	22,76,052	21,93,000	23,68,000	23,98,000
Equivalent in Sterling	£	140,083	146,531	151,737	146,200	157,900	159,900

EXPENDITURE.

109. The increase of ₹1·52 lakhs in the expenditure in 1912-13 over the Budget provision is expected mostly in Bengal and will result from higher charges of pilot establishments necessitated by the briskness of trade and from the postponement of certain recoveries in connection with the agency for Government consignments. The total Budget for 1913-14 is ₹1·98 lakhs higher than the Revised estimate for the current year, mainly in consequence of provision in Bombay for the construction of two additional lights off the Sind Coast. *Revised, 1912-13.* *Budget, 1913-14.*

REVENUE.

110. The excess of ₹1·75 lakhs in the current year over the Budget estimate is caused by higher pilotage receipts in Bengal which more than counterbalance the increase in expenditure mentioned above. The Budget estimate for next year does not differ materially from the Revised for 1912-13. *Revised, 1912-13.* *Budget, 1913-14.*

XIX AND 22.—EDUCATION.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India, General	6,06,607	6,76,034	5,04,754	84,65,000	7,42,000	14,41,000
2. Delhi	...	...	...	...	26,000	85,000
3. Baluchistan	...	90,722	46,688	64,000	1,22,000	1,25,000
4. North-West Frontier	86,316	1,61,796	1,60,938	2,04,000	6,40,000	3,51,000
Total	6,92,923	9,28,552	7,12,380	87,33,000	15,30,000	20,02,000
Provincial.						
1. Central Provinces	16,55,200	17,26,086	17,82,548	22,90,000	20,73,000	33,96,000
2. Burma	18,99,675	18,75,342	20,21,673	27,34,000	23,33 000	40,03,000
3. Assam	...	...	...	9,85,000	9,77,000	18,05,000
4. Bengal (new)	...	...	...	78,45,000	76,69,000	1,34,88,000
5. Bihar and Orissa	...	...	...	26,25,000	25,90,000	48,71,000
6. United Provinces	28,58,786	38,45,241	48,35,149	52,13,000	57,08,000	76,75,000
7. Punjab	22,61,241	22,83,817	23,55,101	28,63,000	33,37,000	44,83,000
8. Madras	37,90,145	39,86,111	45,66,761	58,88,000	65,60,000	97,63,000
9. Bombay	43,52,501	47,53,732	48,72,655	66,85,000	59,15,000	95,25,000
Eastern Bengal and Assam	26,38,345	23,10,708	31,58,532	...	...	...
Bengal (old)	55,68,813	55,21,364	58,54,112	...	...	...
Total	2,47,24,706	2,66,02,401	2,94,47,531	3,71,28,000	3,71,62,000	5,90,09,000
TOTAL INDIA ₹	2,54,17,629	2,75,30,953	3,01,59,911	4,58,61,000	3,86,92,000	6,10,11,000
Equivalent in Sterling £	1,694,509	1,835,397	2,010,661	3,057,400	2,579,400	4,067,400
England £	10,363	10,846	10,528	10,500	10,500	10,500
TOTAL	1,704,872	1,846,243	2,021,189	3,067,900	2,589,900	4,077,900

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.	₹	₹	₹	₹	₹	₹
1. India, General	28,914	26,311	30,607	28,000	29,000	32,000
2. Delhi	...	...	...	...	6,000	11,000
3. Baluchistan	...	10,026	13,451	14,000	14,000	16,000
4. North-West Frontier	681	676	848	1,000	1,000	...
TOTAL	29,595	37,013	44,906	43,000	50,000	59,000
Provincial.						
1. Central Provinces	1,09,308	1,17,185	1,46,171	1,75,000	2,00,000	2,15,000
2. Burma	1,74,808	2,00,099	2,17,634	2,30,000	2,41,000	2,50,000
3. Assam	...	...	...	88,000	1,13,000	1,10,000
4. Bengal (new)	...	...	...	6,84,000	7,40,000	7,51,000
5. Bihar and Orissa	...	...	...	1,95,000	2,27,000	2,49,000
6. United Provinces	2,48,092	4,26,511	4,85,072	5,12,000	5,02,000	5,4,7000
7. Punjab	4,67,788	3,72,418	3,91,763	4,2 ,000	4,29,0 0	4,64,000
8. Madras	1,79,600	2,25,336	3,22,612	3,43,000	2,90,000	2,82,000
9. Bombay	4,09,209	4,22,292	4,54,345	5,00,000	4,98,000	5,34,000
Eastern Bengal and Assam	63,282	3,22,331	3,39,867	...	...	...
Bengal (old)	6,06,453	6,31,361	6,81,783	...	..	...
TOTAL	24,58,540	27,17,533	30,39,247	31,48,000	32,40,000	34,02,000
TOTAL INDIA ₹	24,88,135	27,54,546	30,84,153	31,91,000	32,90,000	34,61,000
Equivalent in Sterling £	165,875	183,636	205,610	212,700	219,300	230,700

EXPENDITURE.

(*a*) *Imperial.*

111. Excluding the Delhi figures, the Revised estimate for 1912-13 is R72·29 lakhs less than the Budget, while the Budget for 1913-14 exceeds the Revised estimate for the current year by R4·13 lakhs. The large decrease in the current year is nominal and is due to the assignment to the Governments of the major provinces of the bulk of the lump grants aggregating R80 lakhs for which provision was made in the Budget under this head. The portion of the grants so assigned amounts to R73·66 lakhs; and only R6·34 lakhs have been allotted to the minor administrations, *viz.*, R3·84 lakhs from the residue of the recurring grant of R60 lakhs, and R2·50 from the non-recurring grant of R65 lakhs. The former sum will be devoted mostly to the promotion of primary and secondary education; while of the latter, R2 lakhs have been given to the Islamia College at Peshawar and the remainder will be spent mainly on hostels. The Imperial expenditure in 1912-13, excluding Delhi, will thus exceed by R1·37 lakhs the allotments available for the purpose, either from specific provisions made in the Budget or from the special grants mentioned above. The excess is mainly due to higher demands for primary schools in the North-West Frontier Province and Coorg, and a special grant has been given recently to meet the expenditure. *Revised, 1912-13.*

112. The increase of R4·13 lakhs in the Imperial expenditure in 1913-14 mentioned in the preceding paragraph, is due to provision under this head of R6·65 lakhs out of the additional recurring grant of R55 lakhs from Imperial revenues for the promotion of education (*vide* paragraph 19). The sum has either been allotted to the minor administrations or else is being held in reserve for future distribution and it is partially obscured by the absence of the non-recurring Imperial outlay incurred in the current year. *Budget, 1913-14.*

(*b*) *Provincial.*

113. The total expenditure in 1912-13 is expected to exceed the Budget provision by R·34 lakh. The figures under this head, however, are not a complete index to the progress made by the various Local Governments with outlay on the promotion and reform of education out of the special Imperial grants—recurring and non-recurring—given in recent years; for a considerable portion of the expenditure is incurred in the Public Works Department on buildings, etc., and is recorded in the accounts under "45.—Civil Works." The Budget estimate for the current year provided for an expenditure of R23·50 lakhs out of the recurring assignments amounting to R55·96 lakhs which have already been sanctioned, and of R47·50 lakhs out of non-recurring grants of previous years, or in the aggregate R71 lakhs. It is now expected that R40·82 lakhs of the recurring grant will be spent during the year and R67·22 lakhs against the non-recurring. The total expenditure in 1912-13 from special Imperial grants of both classes will then amount to R108·04 lakhs of which R75·23 lakhs will be recorded under "22.—Education" and the remaining R32·81 lakhs under other heads of account, mostly Civil Works. Thus there is an excess of R4·23 lakhs (R75·23—R71·00 lakhs) in expenditure from special grants, and as the aggregate expenditure under the head is R·34 lakh more than the Budget provision, there will apparently be a lapse of about R4 lakhs only in the ordinary grants, distributed among the nine provinces. *Revised, 1912-13.*

114. The Budget estimate of 1913-14 provides for a very considerable advance of R218·47 lakhs over the Revised estimate for 1912-13. Of this increase R186·48 lakhs will be financed from the special contributions made from Imperial revenues. The outlay chargeable to Education from the grants already distributed among provincial Governments will be higher by R32·48 lakhs than the similar expenditure in the current year; while special allotments to the extent of R154 lakhs will be made from the additional grants which it is now proposed to give, the whole of the recurring grants and about one-third of the non-recurring ones being made available for expenditure in 1913-14. Even so, there will remain a balance of R31·99 lakhs representing the contribution made from the growth of Provincial revenues to foster the progress of education. Provision has been made in every province for increased expenditure on scholarships and stipends, educational grants to local bodies, and the *Budget, 1913-14.*

strengthening and improvement of the inspecting and teaching staff. In the Central Provinces, lump allotments have been entered for the taking over by Government of the Morris College, Nagpur, and of certain anglo-vernacular schools, and for the improvement of selected vernacular schools. In the other provinces the following additions have been made to the provincial budgets with reference to the recommendations of the respective Finance Committees :

	R	
Assam	1·58 lakhs,	mainly for additional grants-in-aid and scholarships, the establishment of a Madrassa at Sylhet, and the improvement of the Cotton College.
Bengal	·73 lakh,	mainly for reform of the system of training in the eastern districts, taking over by Government of certain industrial schools and revision of pay of Sub-Inspectors of schools.
Bihar and Orissa	·42 „	mainly for additional grants-in-aid.
United Provinces	1·67 lakhs,	mainly for increased educational grants to local bodies.
Punjab	2·77 „	mainly for the taking over by Government of the Lawrence School, Murree, equipment and staff of the Mayo School of Art, revision of the subordinate educational service, additional subordinate inspecting staff, and a new school at Lyallpore.
Madras	8·98 „	mainly for grants to aided secondary and other schools for equipment, subsidies to local bodies for equipment of elementary schools, equipment of training schools for masters, opening of additional girls' schools, and development of the College of Engineering.
Bombay	2·31 „	mainly for the opening of new primary schools and the improvement of primary education.

115. The unspent balance of the various Imperial grants already made will stand at R68·59 lakhs at the end of the current year, *viz*, R15·14 lakhs of the recurring grant and R53·45 lakhs of the non-recurring one. The Local Governments propose to spend in 1913-14 R40·98 lakhs of the latter sum, as well as R11·66 lakhs of the former, in addition to the recurring grant of R55·96 lakhs for next year. The total outlay from the old grants will thus amount to R108·60 lakhs, of which the whole excepting a small sum of R·89 lakh has been provided under "22—Education." The unspent balance of the old grants at the close of next year will stand at R15·95 lakhs only.

116. The following statement gives the distribution among the provinces of the provision of R107·71 lakhs under this head mentioned above and of the allotments aggregating 154 lakhs entered in next year's Budget for expenditure from the additional Imperial grants non-recurring and recurring—which it is now proposed to make

Lakhs of rupees.

	Allotments from Imperial grants.	
	Old grants.	New grants.
Central Provinces	5·31	8·50
Burma	7·17	11·00
Assam	2·16	6·00
Bengal	36·93	38·00
Bihar and Orissa	7·09	16·50
United Provinces	11·52	20·50
Punjab	7·01	11·50
Madras	12·25	23·00
Bombay	18·27	19·00
	107·71	154·00

REVENUE.

Revised, 1912-13.
Budget, 1913-14.

117. The growth in the number of students in Government schools and colleges generally accounts for the improvement in the receipts in the current year and the further increase allowed for in the Budget of 1913-14.

23—ECCLESIASTICAL

EXPENDITURE

	A[illegible] 1909-1910	A[illegible] 1910-1911	A[illegible] 1[illegible]1-1912	1912-13 Budget	1912-13 Revised	Budget 1913-1914
Imperial.						
1. India General	1,92,225	1[illegible]3,[illegible]24	1,[illegible]	1,73,000	1,[illegible]8[illegible]	1,71,[illegible]
2. Delhi					8[illegible]	1[illegible]
3. Baluchistan		25,449	[illegible]3,247	24,000	22,0[illegible]	2[illegible],000
4. Central Provinces	4,33[illegible]	7[illegible],479	[illegible]	1,05,000	[illegible]8[illegible]	1,05,000
5. Punjab	23,3[illegible]	24,4[illegible]	1,27,[illegible]42	1,44,000	1,33[illegible]	1,12,[illegible]00
6. Assam				20,000	18,[illegible]0	22,000
7. Bengal new	..			1,94,000	1,8[illegible],[illegible]0	1,8[illegible],000
Bihar and Orissa	...	.		37,000	3[illegible],000	33,000
9. United Provinces	2,60,[illegible]0	2,49,723	2,73,0[illegible]5	2,[illegible]2,000	2,7[illegible],[illegible]0	2,70,000
10. Punjab	2,33,[illegible]04	2,44,9[illegible]5	2,33,[illegible]43	2,16,000	2,43,000	2,44,0[illegible]0
11. North West Frontier	3[illegible],[illegible]32	3[illegible]4[illegible]6	38,[illegible]38	41,000	3[illegible],0[illegible]0	43,[illegible]00
12. Madras	3,3[illegible],9[illegible]5	3,37,659	3,[illegible]8,011	3,81,000	3,22,000	3,[illegible],000
13. Bombay	3,3[illegible],[illegible]3	3,52,009	3,43,913	3,45,000	3,35,000	3,30,000
Eastern Bengal and Assam	2[illegible],435	40,[illegible]05	41,192	...	.	...
Bengal (old)	2,24,[illegible]61	2,09,411	2,07,805	.	...	...
TOTAL INDIA R	18,53,3[illegible]2	18,65,160	18,[illegible]2,747	19,72,000	18,8[illegible],[illegible]00	19,32,000
Equivalent in Sterling £	123,554	124,344	124,183	131,500	1,25,300	1,28,800
England £	489	334	305	400	400	400
TOTAL £	124,013	124,678	124,488	131,900	1,25,700	1,2[illegible],200

118. The figures do not call for any remark. A saving of R 92 lakh is expected in the total grant for the current year owing to the absence of the Lord Bishop of Madras and some of the Senior Chaplains on leave. In 1913-14 provision has been made for the sanctioned scale of expenditure. *Revised, 1912-13.* *Budget, 1913-14.*

XX AND 24.—MEDICAL.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	7,02,069	6,82,219	5,78,682	12,51,000	15,75,000	16,39,000
2. Delhi	...	...	...	...	5,35,000	1,85,000
3. Baluchistan	...	87,627	1,02,752	1,00,000	1,55,000	1,13,000
4. North-West Frontier	1,83,690	2,19,909	1,50,170	3,09,000	4,91,000	3,32,000
Total	8,85,759	9,89,755	8,31,604	16,60,000	27,56,000	22,69,000
Provincial.						
1. Central Provinces	7,98,349	8,73,489	9,81,058	14,51,000	13,79,000	21,78,000
2. Burma	21,23,201	19,08,768	21,88,473	31,95,000	20,62,000	29,75,000
3. Assam	...	...	...	8,02,000	6,16,000	8,88,000
4. Bengal (new)	...	...	...	36,85,000	26,88,000	41,01,000
5. Bihar and Orissa	...	...	...	10,94,000	7,69,000	19,20,000
6. United Provinces	15,86,585	17,88,777	30,03,278	30,79,000	30,00,000	41,23,000
7. Punjab	13,31,758	14,19,589	21,20,662	31,50,000	27,37,000	28,68,000
8. Madras	17,84,589	18,22,160	18,27,119	29,39,000	19,87,000	39,14,000
9. Bombay	24,97,108	22,72,567	24,35,270	41,75,000	23,69,000	48,96,000
Eastern Bengal and Assam	10,23,998	10,67,623	12,57,082	...	...	...
Bengal (old)	23,38,148	24,27,015	25,05,729	...	...	..
Total	1,34,83,736	1,35,79,988	1,63,26,671	2,35,80,000	1,75,97,000	2,78,63,000
TOTAL INDIA ₹	1,43,69,495	1,45,69,743	1,71,58,275	2,52,40,000	2,03,53,000	3,01,32,000
Equivalent in Sterling £	957,967	971,316	1,143,885	1,682,700	1,356,800	2,008,800
England £	9,866	11,606	11,605	12,100	12,100	12,000
TOTAL £	967,833	982,922	1,155,490	1,694,800	1,368,900	2,020,800

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	7,743	6,021	5,868	6,000	6,000	5,000
2. Delhi	...	...	...	...	1,000	3,000
3. Baluchistan	...	1,711	1,694	2,000	2,000	2,000
4. North-West Frontier	660	620	96	...	...	...
TOTAL	8,403	8,352	7,658	8,000	9,000	10,000
Provincial.						
1. Central Provinces	8,551	9,400	15,568	13,000	19,000	19,000
2. Burma	63,951	76,876	1,02,072	90,000	1,14,000	1,14,000
3. Assam	...	...	...	14,000	18,000	20,000
4. Bengal (new)	...	...	...	3,61,000	4,30,000	3,76,000
5. Bihar and Orissa	...	...	..	13,000	16,000	20,000
6. United Provinces	37,687	46,408	54,592	52,000	68,000	1,00,000
7. Punjab	45,793	49,589	50,157	48,000	54,000	54,000
8. Madras	1,21,733	1,24,719	1,27,382	1,28,000	1,52,000	1,26,000
9. Bombay	2,28,245	2,36,064	2,44,092	2,40,000	3,26,000	2,55,000
Eastern Bengal and Assam	56,689	46,230	50,508	...	...	...
Bengal (old)	2,90,056	3,45,728	3,37,817	...	...	...
TOTAL	8,52,705	9,35,014	9,82,168	9,59,000	11,97,000	10,84,000
TOTAL INDIA ₹	8,61,108	9,43,366	9,89,826	9,67,000	12,06,000	10,94,000
Equivalent in Sterling £	57,407	62,891	65,988	64,500	80,400	72,900
England £	828	806	859	800	800	700
TOTAL £	58,235	63,697	66,847	65,300	81,200	73,600

EXPENDITURE.

(a) *Imperial.*

(i) *Delhi.*

119. The figures shown against Delhi in the two years are made up as follows :—

[Lakhs of rupees.

	Revised, 1912-13.	Budget, 1913-14.
(1) Ordinary expenditure on services taken over from the Punjab . . .	·35	·55
(2) Additional grant for hospital and conservancy charges necessitated by the move of the offices of the Government of India to Delhi . . .	...	·80
(3) Special non-recurring contribution to the Municipality for the improvement of sanitation . . .	5·00	...
(4) Special recurring allotment in aid of sanitary expenditure, representing Delhi's share of the Imperial sanitation grant of R45 lakhs . .	...	·50
	5·35	1·85

(ii) *Other Provinces.*

Revised, 1913-13.

120. Excluding the Delhi figures, the Revised estimate for 1912-13 exceeds the Budget by R5·61 lakhs. The latter, however, included a reserve provision of R2 30 lakhs for contributions to Provincial Governments for the improvement of sanitary services. These contributions have been paid during the year where necessary, by assignments of Imperial land revenue; and the true increase in expenditure recorded under this head in 1912-13 over the Budget provision therefore amounts to R7·91 lakhs. This excess is more than accounted for by the following special grants not included in the Budget, which have been given to municipalities and other local bodies in minor administrations for non-recurring outlay on the improvement of sanitation.

	R
Bangalore	4·00 lakhs.
Peshawar	2·00 „
Indore	2·00 „
Quetta	·50 „
Coorg	·25 „
	8·75 „

On the other hand there will be a lapse of R·84 lakh in the ordinary grants for plague and other expenditure.

Budget, 1913-14.

121. The Budget estimate for 1913-14 is R1·37 lakhs less than the Revised estimate for the current year. The latter, however, includes non-recurring expenditure amounting to R10·77 lakhs made up of R8·75 lakhs mentioned above and R2 02 lakhs in Ajmer, Coorg and Bangalore which were provided in the current year's Budget. The real increase in next year's grant over the Revised estimate for 1912-13 thus amounts to R9 40 lakhs. Nearly the whole of this excess is accounted for by the provision of R9·25 lakhs for the portions of the special Imperial appropriations for sanitation and medical relief (*vide* paragraphs 18 and 24) which will be utilised for research or allotted to

minor administrations, or else held in reserve for future disposal. The distribution of this amount among the minor administrations, etc., is given below:

(1) Allotments out of the recurring Imperial grant of R45 lakhs for sanitation:—

	Lakhs of R	
North-West Frontier Province	·50	
Bangalore	·50	
Research fund	5·00	
Reserve	2·00	
		8·00

(2) Allotments out of the non-recurring Imperial grant of R10 lakhs for hospitals, etc.:—

North-West Frontier Province	·25	
Reserve	1·00	
		1·25
		9·25

(b) Provincial.

Revised, 1912-13.

122. The Budget estimate for the current year included special allotments under this head aggregating about R75½ lakhs for outlay from the non-recurring Imperial grants made in 1910-11 and 1911-12 for sanitary and other medical expenditure. Out of these allotments R66 lakhs are expected to be spent in 1912-13; but only about R26 lakhs of the outlay will be recorded under this head, the balance being shown under Civil Works. This explains the bulk of the decrease of R59·83 lakhs in the Revised estimate as compared with the Budget. The balance is mainly due to lapses in the grants for ordinary and plague expenditure in several provinces, the non-utilisation of the provision of R2 lakhs made in Madras for contribution to the Edward VII Memorial Fund Committee in connection with the construction of a hospital and sanatorium for consumptives, the record under Civil Works of a portion of the expenditure in connection with special sanitation schemes in Bombay for which provision was made in the Budget under the Medical head, and the partial utilisation of the grant for the development of the Grant Medical College in the same province.

Budget, 1913-14.

123. The Budget estimate for 1913-14 exceeds the Revised for the current year by no less than R102·66 lakhs. The latter, however, includes about R26 lakhs of expenditure out of certain special Imperial grants given in 1910-11 and 1911-12 while only R13 lakhs on this account remain to be incurred under this head in 1913-14. The real increase in expenditure in 1913-14 over that in the current year will thus amount to R115¾ lakhs Of this excess about R4 lakhs are explained by the provision under this head in Bombay of the full amount of the recurring Imperial contribution of R4·5 lakhs made in 1908-09 for special sanitation schemes; and R95¼ lakhs represent allotments made out of (1) the non-recurring Imperial subvention of R150 lakhs for sanitation in 1912-13, (2) the recurring Imperial subvention of R36·50 lakhs in 1913-14 for the same purpose and (3) the non-recurring Imperial subvention in 1913-14 for hospitals and medical education (*vide* paragraphs 18, 21 and 24). The whole of the last two subventions, as well as one-third of the first subvention, have been made available for expenditure in 1913-14, the sums added under this head to the Budget estimates of the several provinces being as shown below.

[Lakhs of R

Province.	Sanitation.	Hospitals, etc.	Total.
Central Provinces	6·50	1·50	8·00
Burma	6·50	1·50	8·00
Assam	1·50	·25	1·75
Bengal	11·75	1·00	12·75
Bihar and Orissa	6·25	·50	6·75
United Provinces	15·25	1·00	16·25
Punjab	8·75	·50	9·25
Madras	15·00	1·50	16·50
Bombay	15·00	1·00	16·00
Total	86·50	8·75	95·25

124. The balance of the increase in the Budget estimate for 1913-14 over the Revised for the current year, amounting to R16½ lakhs, represents the contribution from provincial resources proper for the development of the various beneficial services whose charges are recorded under this head. Provision has generally been made for the full cost of sanctioned establishments; and for increased expenditure on medical colleges, hospitals and dispensaries, as well as on measures for the prevention of plague and malaria. The Madras Budget again provides for the payment of the contribution of R2 lakhs to the Edward VII Memorial Committee mentioned above; while in the Central Provinces a special allotment has been made for a medical school at Nagpur.

125. The following table shows the progress made by the Provincial Governments in utilising the various non-recurring grants made from Imperial revenues in 1910-11 and 1911-12 in aid of sanitary and medical expenditure.

Province.	Grants to end of 1911-12.	Expenditure.						
		To end of 1911-12.	In 1912-13 (Revised) recorded under		In 1913-14 (Budget) recorded under		Total.
			Medical.	Other heads.	Medical.	Other heads.	
Central Provinces .	6·00	1·00	3·50	...	1·50	...	6·00
Burma . . .	11·00	1·52	...	1·93	...	7·55	11·00
Assam . . .	3·96	1·98	·16	1·15	·67	...	3·96
Bengal . . .	25·55	5·69	1·00	15·25	3·61	...	25·55
Bihar and Orissa .	7·82	1·20	...	2·43	4·19	...	7·82
United Provinces .	18·50	9·48	9·02	...	...	...	18·50
Punjab . . .	*11·17	*1·59	*6·50	...	3·08	...	11·17
Madras . . .	12·25	2·00	...	10·25	...	...	12·25
Bombay . . .	12·75	2·00	...	9·25	...	1·50	12·75
Total .	109·00	26·46	20·18	40·26	13·05	9·05	109·00

*Exclude grants earmarked for the Central Research Fund.

Revenue.

(a) *Imperial.*

126. The figures show little variation and call for no remark.

(b) *Provincial.*

127. The increase of R2·38 lakhs over the Budget estimate is due to the receipt of special contributions aggegating R1·49 lakhs in Bengal, Bombay and Madras from the Indian Research Fund for anti-malarial expenditure, and to a general improvement in hospital receipts and medical college fees. In the Budget of 1913-14, the absence of the special contributions obscures the provision for normal growth in some of the provinces. *Revised, 1912-13.* *Budget, 1913-14.*

25.—POLITICAL.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	53,19,919	84,88,401	61,56,080	58,12,000	62,35,000	63,23,000
2. Delhi	...	...	...	...	42,000	3,000
3. Baluchistan	22,69,281	22,70,805	23,47,655	23,94,000	23,44,000	24,21,000
4. North-West Frontier	30,53,873	31,44,973	30,61,756	31,67,000	30,42,000	32,49,000
5. Punjab	6,46,986	6,13,208	6,28,668	6,71,000	6,54,000	6,85,000
6. Other Provinces	5,54,796	6,20,037	5,59,940	5,70,000	5,58,000	5,89,000
TOTAL	1,18,44,	1,51,37,424	1,27,54,099	1,26,14,000	1,28,75,000	1,32,70,000
Provincial.						
1. Central Provinces	45,615	28,991	32,431	36,000	40,000	38,000
2. Burma	4,03,949	4,26,369	4,51,115	4,33,000	7,88,000	5,75,000
3. Assam	...	...	...	92,000	5,67,000	12,32,000
4. Bengal (new)	...	...	...	34,000	33,000	27,000
5. Bihar and Orissa	...	...	...	53,000	51,000	53,000
6. United Provinces	5,617	9,877	6,273	4,000	5,000	10,000
7. Madras	1,12,212	96,421	1,02,709	94,000	98,000	92,000
8. Bombay	4,76,016	4,72,953	4,32,446	4,74,000	4,44,000	5,46,000
Eastern Bengal and Assam	89,952	1,22,731	5,38,984	...	...	...
Bengal (old)	51,943	62,041	57,779	...	...	...
TOTAL	11,85,304	12,19,383	16, 1,737	12,20,000	20,26,000	25,73,000
TOTAL INDIA . ₹	1,30,30,159	1,63,56,807	1,43,75,836	1,38,34,000	1,49,01,000	1,58,43,000
Equivalent in Sterling £	868,677	1,090,454	958,389	922,300	993,400	1,056,200
England . . £	6,450	5,016	9,769	4,000	9,600	22,800
TOTAL . £	875,127	1,095,470	968,158	926,300	1,003,000	1,079,000

128. The Imperial outlay shown against "Other Provinces" consists of the charges of the Political Residency at Aden and certain other expenditure—mainly in connection with political refugees and State prisoners—in several provinces.

(*a*) *Imperial.—India and England.*

Revised, 1912-13. 129. The excess of ₹3·45 lakhs over the Budget provision in 1912-13 is chiefly due to India's share of certain special expenditure in Muscat and Persia in connection with the suppression of the arms traffic and the buoying and lighting of the Persian Gulf, and to charges in connection with the State entry of His Excellency the Viceroy into Delhi. An increase of ₹1·28 lakhs in the cost of the political agencies in Native States owing mainly to higher payment of salaries in accordance with the scheme for the re-organisation of the Indian Political Department will be met by savings on this account as well as in the charges of frontier militia in the North-West Frontier Province. The Budget

Budget, 1913-14. estimate for 1913-14 is ₹5·93 lakhs higher than the Revised estimate for the current year, in spite of the absence of the expenditure incurred in 1912-13 in connection with the State entry at Delhi, the excess being due to provision for increased expenditure in Muscat and Persia on the special services mentioned above, as well as for a full year's charges of the Kurram and Waziristan militia, and of the Zhob militia and certain district levies in Baluchistan, in accordance with schemes of re-organisation which have been recently sanctioned.

(*b*) *Provincial.*

Revised, 1912-13. 130. The increase of ₹8·06 lakhs in the Revised over the Budget estimate for the current year is caused wholly by special expenditure in Burma

and Assam on political missions and surveys in the north-east frontier and for arrangements made for the administration and proper control of the Assam frontier. The further growth of expenditure amounting to R5·47 lakhs which has been provided in the Budget of 1913-14, arises chiefly from similar causes. Next year's outlay in Burma on this account is expected to be over R2 lakhs less than in the current year; but on the other hand, necessary allotments have been made in Assam for a full year's cost of the frontier agencies as well as for a continuance of the survey and exploration operations. As has been already mentioned in paragraphs 15 and 25, Imperial subventions have been given to both the Provinical Governments to compensate them for the special expenditure for which no provision has been made in their financial settlements. The increased provision of R1·02 lakhs in the Bombay Budget for 1913-14 is mainly due to provision for the re-organisation of the Bombay Political Department. *Budget, 1913-14.*

XXI AND 26.—SCIENTIFIC AND OTHER MINOR DEPARTMENTS.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	54,57,101	55,31,182	53,18,986	58,54,000	51,59,000	58,64,000
2. Delhi	...	...	...	...	5,000	15,000
3. Baluchistan	13,780	42,730	66,150	45,000	57,000	31,000
4. North-West Frontier	39,279	38,717	79,438	82,000	74,000	92,000
5. Other Provinces	2,72,575	6,14,787	14,51,752	3,14,000	5,79,000	3,67,000
TOTAL	57,82,735	62,77,416	69,16,326	62,95,000	58,74,000	63,69,000
Provincial.						
1. Central Provinces	4,32,729	4,43,936	5,63,365	6,99,000	6,70,000	7,25,000
2. Burma	4,27,888	3,81,263	4,40,284	6,60,000	5,38,000	6,62,000
3. Assam	...	...	...	2,30,000	1,60,000	3,67,000
4. Bengal (new)	...	...	...	17,13,000	17,07,000	17,15,000
5. Bihar and Orissa	...	...	...	5,00,000	3,94,000	5,17,000
6. United Provinces	11,44,571	10,10,638	11,51,320	13,15,000	12,80,000	13,60,000
7. Punjab	7,01,968	6,65,617	7,71,226	10,75,000	8,75,000	13,89,000
8. Madras	13,36,626	13,82,185	13,36,188	17,37,000	18,83,000	18,23,000
9. Bombay	8,02,170	8,58,420	10,84,209	10,93,000	9,83,000	13,37,000
Eastern Bengal and Assam	4,54,083	4,51,867	4,45,124	...	...	...
Bengal (old)	12,20,110	13,47,063	13,53,166	...	...	...
TOTAL	65,20,145	65,40,989	71,44,882	90,22,000	84,90,000	98,95,000
TOTAL INDIA . ₹	1,23,02,880	1,28,18,405	1,40,61,208	1,53,17,000	1,43,64,000	1,62,64,000
Equivalent in Sterling £	820,192	854,560	937,414	1,021,100	957,600	1,084,300
England (mainly stores) . £	31,204	23,485	23,791	28,400	26,000	28,900
TOTAL . £	851,396	878,045	961,205	1,049,500	983,600	1,113,200

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	2,66,909	1,78,182	2,74,080	2,80,000	1,69,000	1,70,000
2. Delhi	...	...	...	...	...	2,000
3. Baluchistan	960	788	849	1,000	2,000	2,000
4. North-West Frontier	77	83	872	7,000	2,000	6,000
5. Punjab	...	...	...	...	70,000	...
TOTAL	2,67,946	1,79,053	2,75,801	2,88,000	2,43,000	1,80,000
Provincial.						
1. Central Provinces	94,288	96,041	94,029	1,02,000	1,10,000	1,32,000
2. Burma	4,389	9,199	7,805	9,000	10,000	15,000
3. Assam	...	...	...	25,000	20,000	24,000
4. Bengal (new)	...	...	...	3,83,000	2,76,000	2,26,000
5. Bihar and Orissa	...	...	...	28,000	26,000	34,000
6. United Provinces	1,27,521	1,44,828	1,69,522	1,49,000	1,50,000	1,63,000
7. Punjab	1,08,979	1,09,437	1,06,095	1,20,000	1,22,000	1,99,000
8. Madras	5,41,142	6,50,363	6,41,764	6,29,000	6,16,000	6,53,000
9. Bombay	78,877	1,20,695	1,18,202	1,06,000	1,10,000	1,25,000
Eastern Bengal and Assam	45,534	41,784	45,051	...	...	...
Bengal (old)	3,46,717	3,31,173	2,39,540	...	...	...
TOTAL	13,47,447	15,03,520	14,22,008	15,51,000	14,40,000	15,71,000
TOTAL INDIA	16,15,393	16,82,573	16,97,809	18,39,000	16,83,000	17,51,000
Equivalent in sterling £	107,693	112,172	113,187	122,600	112,200	116,800
England . . £	1,745	1,260	998	1,100	800	800
TOTAL . £	109,438	113,432	114,185	123,700	113,000	117,600

Details of expenditure shown against "Imperial" in the preceding table.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
(a) Scientific—						
i. Survey of India	28,58,301	27,80,226	25,80,259	28,95,000	26,25,000	29,49,000
ii. Geological Survey	3,12,877	2,94,806	3,07,997	3,06,000	3,05,000	3,10,000
iii. Inspector of Mines	1,19,265	98,194	1,11,004	1,11,000	97,000	1,13,000
iv. Meteorological Survey	3,93,821	4,04,727	3,85,054	4,00,000	3,97,000	4,63,000
v. Archæological Survey	2,01,966	2,18,414	2,22,020	2,41,000	2,39,000	2,74,000
vi. Central Museum	1,17,473	1,38,430	1,75,269	1,52,000	1,54,000	1,43,000
vii. Bacteriology	1,95,508	2,13,967	2,07,272	2,17,000	1,79,000	2,10,000
viii. Central Research and X-Ray Institutes	1,51,033	1,71,980	1,65,716	1,83,000	1,47,000	1,65,000
ix. Other items	53,104	1,02,474	67,317	68,000	61,000	66,000
(b) Agricultural—						
i. Agriculture	4,72,726	4,73,362	5,25,633	5,38,000	5,64,000	7,98,000
ii. Veterinary charges	4,96,230	4,89,498	4,90,030	5,48,000	4,89,000	4,14,000
iii. Other items	12,844	29,025	1,369	13,000	17,000	30,000
(c) Statistics—						
i. Bureau of Commercial Intelligence, and other charges	1,94,232	1,76,553	1,73,872	1,60,000	1,58,000	1,55,000
ii. Census	18,222	4,87,319	13,08,525	2,39,000	2,18,000	25,000
(d) Miscellaneous—						
i. Imperial Library	47,815	46,742	41,059	42,000	40,000	45,000
ii. Examinations	53,429	62,022	61,846	57,000	52,000	55,000
iii. Inspector of Explosives	73,644	75,899	74,885	77,000	70,000	77,000
iv. Controller of Patents	...	...	6,218	39,000	39,000	42,000
v. Actuary to Government of Indi	...	...	...	...	6,000	26,000
vi. Other items	10,245	13,778	10,981	9,000	17,000	9,000
TOTAL R	57,82,735	62,77,416	69,16,326	62,95,000	58,74,000	63,69,000

EXPENDITURE.

131. The figures shown against "Other Provinces," in the table at page 78 represent expenditure incurred in the several provinces in connection with ethnographical surveys, census operations, and the pay and allowances of officers borne on the cadre of the Imperial Civil Veterinary Department, as well as the cost of the Archæological Department in Burma.

(a) Imperial—India and England.

Revised, 1912-13.

132. The decrease of R4·57 lakhs in the Revised estimate for 1912-13 as compared with the Budget is caused by the employment of survey detachments on frontier explorations, the cost of which is debited under the Political head, as well as by ordinary lapses in grants of the Survey of India, the Imperial Veterinary and certain other Departments. The larger saving in the Budget grant shown against "India General" in the table on page 78 and the considerable excess over the grant for "Other provinces" are due firstly to the transfer from the "India" books to those of the Accountant General, Punjab, of the charges of the Hissar Cattle Farm and of the veterinary officer employed in investigating camel diseases consequent on the transfer of their control to the Punjab Government; and secondly to allotments having been made for expenditure in the various provinces from the lump provision for census charges in the "India" estimates. The transactions of the Hissar farm will continue to be treated as Imperial in the current year; but from 1913-14 the charges exclusive of the salaries of Imperial veterinary officers, as well as the receipts, will become Provincial.

Budget, 1913-14. 133. The total Budget estimate for 1913-14 is higher than the Revised for the current year by R5·38 lakhs; and if allowance is made for the saving of R1·93 lakhs in census charges and for the transfer to the Provincial account of R1·31 lakhs of the expenditure of the Hissar Cattle Farm the true increase amounts to R8·62 lakhs. Of this excess, R3·24 lakhs are expected in the charges of the Survey Department owing to the return of the survey detachments from frontier explorations and to full provision for the re-organisation of the Provincial Service which has been recently sanctioned by the Secretary of State; while R2·90 lakhs represent the portion of the special grant for agriculture and allied objects which will be devoted to Imperial outlay under this head. Otherwise, the grants of the various departments have been generally fixed with reference to normal operations and the sanctioned scale of establishments. R·40 lakh of the special grant has been allotted to the Meteorological Department and the balance of R2·50 lakhs will be spent on the Pusa Institute and on bacteriological laboratories.

(*b*) *Provincial.*

Revised, 1912-13. 134. The Budget estimate for the current year provided for an outlay of R14 lakhs out of the non-recurring Imperial grants of R20 lakhs for agriculture and allied objects and of 2 lakhs for the bacteriological institute in Burma made in 1911-12. The probable expenditure of Local Governments on this account in 1912-13 is likely to amount to R14·15 lakhs, as the higher outlay in Bengal and Madras on the purchase of quinine will more than cover the lapses in other provinces. Only R9·53 lakhs of the expenditure will however be recorded under this head, the balance being recorded under Forests (R2·34 lakhs), Medical (R·27 lakh) and Civil Works (R2·01 lakhs). This mainly explains the decrease of R5·32 lakhs in the Revised estimate as compared with the Budget, the remainder being due to ordinary lapses in grants.

Budget, 1913-14. 135. The total Budget for next year is R14·05 lakhs higher than the Revised estimate of 1912-13. An expenditure of R6·30 lakhs is expected to be incurred in 1913-14 out of the balance of the special Imperial grants mentioned above, of which R4·74 lakhs will be recorded under this head. Provision has also been made for an outlay of R5·85 lakhs out of the non-recurring Imperial grants for the improvement of agriculture which will be given in 1913-14; and R1·31 lakhs of the increase in the Punjab represent charges of the Hissar cattle farm which will be met from Imperial revenue surrendered to the Provincial Government. The total expenditure under this head met from special Imperial grants in next year's Budget thus amounts to R11·90 lakhs against a similar expenditure of R9·53 lakhs in the current year; and the increased outlay contemplated from Provincial resources proper amounts to no less than R11·68 lakhs. Substantial additions to the grants for the development of the agricultural and veterinary departments have been provided in every province. Special allotments of R1·68 lakhs have been made in Bombay for the establishment of two new seed farms, and of R1·09 lakhs in the United Provinces for a seed and three cane-sugar farms.

REVENUE.

(*a*) *Imperial.*

Revised, 1912-13. 136. The decline of R·45 lakh expected in the receipts in the current year is caused by the discontinuance of recoveries from the Military Department for serum supplied from the Muktesar laboratory. The larger decrease shown against India in the table on page 78 and the entry against the Punjab arise in connection with the transfer of the Hissar farm to the control of the Punjab Government. The further loss of R·63 lakh in the Imperial revenue in 1913-14 *Budget, 1913-14.* is due to the transfer to the Provincial account of the receipts in connection with this farm.

(*b*) *Provincial.*

Revised, 1912-13. 137. The decrease of R1·11 lakhs in the revenue in 1912-13 as compared with the Budget estimate is due almost wholly to the indents for the supply of quinine from the Cinchona Department in Bengal being much less than had *Budget, 1913-14.* been anticipated. Budget for 1913-14 provides for normal growth in receipts in every province, as well as for the credit to the Provincial account of the receipts of the Hissar farm; but in Bengal a further decline has been allowed for in the receipts of the cinchona plantations.

27.—TERRITORIAL AND POL• TICAL PENSIONS.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General .	1,15,306	1,27,487	1,22,768	1,19,000	1,12 000	1,07,000
1a. Delhi . . .	...	...	...	...	23,000	47,000
2. Baluchistan . .	34,081	48,000	46,302	50,000	50,000	50,000
3. Central Provinces .	1,94,096	1,87,278	1,89,250	1,92,000	1,92,000	1,92,000
4. Burma . .	1,58,792	1,65,418	1,50,959	1,65,000	1,61,000	1,58,000
5. Assam . . .	...	...	...	5,000	5,000	5,000
6. Bengal (new) .	...	...	...	8,11,000	7,66,000	7,68,000
7. Bihar and Orissa .	...	...	...	54,000	54,000	54,000
8. United Provinces .	7,89,717	8,25,329	7,99,263	7,88,000	7,80,000	8,05,000
9. Punjab . . .	1,43,351	1,47,650	1,35,266	1,42,000	1,18,000	94,000
10. North-West Frontier	61,665	60,206	63,444	62,000	64,000	62,000
11. Madras . . .	3,85,307	3,77,369	3,24,831	3,56,000	3,42,000	3,55,000
12. Bombay . .	5,16,540	5,80,430	5,48,984	5,24,000	5,24,000	5,42,000
Eastern Bengal and Assam . .	9,643	9,014	9,420	...	...	...
Bengal (old) . .	8,89,046	8,49,031	8,48,899	...	...	...
TOTAL INDIA . ₹	32,97,544	33,77,212	32,39,416	32,68,000	31,91,000	32,39,000
Equivalent in Sterling £	219,836	225,148	215,961	217,900	212,700	215,900
England . £	13,750	10,858	11,100	11,100	11,300	11,100
TOTAL . £	233,586	236,006	227,061	229,000	224,000	227,000

138. The variations in the figures are unimportant and call for no remark.

28—CIVIL FURLOUGH AND ABSENTEE ALLOWANCES.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
				Budget.	Revised.	
Imperial.						
India . . R	3,630	6,273	19,597	8,000	16,000	12,000
Equivalent in Sterling £	242	418	1,307	500	1,100	800
England . . £	397,574	394,893	424,435	404,000	409,000	401,000
TOTAL . £	397,816	395,311	425,742	404,500	410,100	401,800

139. The figures show little variation and call for no remark. Almost the whole of the expenditure recorded under this head is incurred in England. Leave allowances of officers paid in India are charged to the same head as their salaries, and the small sums shown against India represent leave allowances of officers lent to Foreign States, etc.

XXII AND 29.—SUPERANNUATION.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	9,15,558	9,32,913	9,95,017	10,00,000	10,1 ,000	10,11,000
1*a*. Delhi	...	...	...	...	80,000	1,00,000
2. Baluchistan	12,962	14,341	13,975	10,000	2 ,000	17,000
3. North-West Frontier	1,19,415	1,22,0 1	1,35,2 8	1,3 ,000	1,4 ,00	2,38,000
4. Other Provinces	1,23,891	1, 9,682	1, ,754	1,00,000	1,0 ,00	1,0 ,000
TOTAL	11,71,826	11,88,937	12,50,974	12,40,000	13,70,000	15,35,000
Provincial.						
1. Central Provinces	6,15,979	6,76,899	7,24,104	7,70,000	7,75,000	7,90,000
2. Burma	7,0 ,693	7,75,5 9	8,03,470	8,70,000	8, 4,000	8, 7,000
3. Assam	...	...	...	2,20,000	2,42,00	2,35,000
4. Bengal (new)	...	...	...	28,46,000	29,03,000	30, ,000
5. Bihar and Orissa	...	...	...	7,85,000	7, 2,000	8,2 ,000
6. United Provinces	29,0 ,294	29,51, 27	30 37,145	30,80,000	3 ,60,000	32, ,00
7. Punjab	16,73, 65	17,57,504	18,7 ,378	19,8 ,000	18,89,00	19,2 ,0 0
8. Madras	24,2 ,338	25,23,021	25,98,3 4	26,94,000	27,20,000	28,20, 00
9. Bombay	28,85,259	29,94,745	31,38, 09	32,40,000	33,8 ,000	3 ,00,000
Eastern Bengal and Assam	7,34,541	8,00,212	8,03,089	...	...	...
Bengal (old)	27, 2,983	27,87, 51	29,10,661	...	...	...
TOTAL	1,46,46,252	1,52,71,178	1,59,52,891	1,64,8 ,000	1,6 ,5,000	1, 2,77,000
TOTAL INDIA Rs.	1,58,18,078	1,64, 0,115	1,72,03,8 5	1,7 ,2 ,000	1,80,65,000	1,8 ,12,000
Equivalent in Sterling £	1,054,538	1,0 7,341	1,14 ,924	1,181,700	1, 01 300	1,2 4,100
England £	2,039,502	2,048,548	2,040,495	2,063,000	2,074,000	2,07 ,000
TOTAL £	3,094,040	3, 45,889	3, 87,420	3,244,700	3,278,300	3,331,100

RECEIPTS.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	2,91,348	3,08,811	3,18,587	2,8 ,000	3,03,000	3,03,000
2. Baluchistan	2,823	2,753	3,448	3,000	3,00	3,000
3. North-West Frontier	12,0 8	17,704	19,420	20,000	18,60	18 00
4. Other Provinces	8,80,361	9,13,5 7	8,95, 88	9,07,000	9,3 ,0 0	9,39,0 0
TOTAL	11,86,550	12,42,785	12,35,643	12,11,000	12,60,000	12,63,000
Provincial.						
1. Central Provinces	62,203	78,136	91,430	90,000	1,11,0 0	1,43,000
2. Burma	25,342	24,494	22,594	25,000	20,0 0	20,000
3. Assam	...	...	...	4,000	4,000	5,0 0
4. Bengal (new)	...	...	...	42 00	46,00	42,000
5. Bihar and Orissa	...	...	...	20,000	18,000	18,000
6. United Provinces	1, 3,154	99,493	8 ,002	92,000	70, 00	8 ,000
7. Punjab	87,045	62,344	78,973	67,000	84,000	8 ,000
8. Madras	79, 84	85,887	87,537	85,000	88,000	90,000
9. Bombay	2,66,646	3,24,321	3,41,588	3,65,000	3, 0,000	3,80,000
Eastern Bengal and Assam	10,116	10,160	10,140	...	...	...
Bengal (old)	66,558	64,392	66,359	...	...	...
TOTAL	7,10,253	7,49,227	7,84,623	7,99,000	8,11,0 0	8, 8,000
TOTAL INDIA Rs.	18,96,803	19,92,0 2	20,21,2 6	20,10,000	20,71,000	21,31,000
Equivalent in Sterling £	12 ,753	132,801	134,751	134,000	138,100	142,100
England £	65,633	62,688	66,719	65,100	63,100	64,600
TOTAL £	192,086	195,489	201,470	199,100	201,200	206,700

140. The figures of Imperial revenue shown against "Other Provinces" represent the receipts of certain abolished funds, the assets and liabilities of which were taken over by the Government, as well as the subscriptions paid by members of the Indian Civil Service for securing certain pensionary benefits for their families. The charges on account of such pensions as well as of the pensions of the abolished funds are recorded in the accounts as Imperial expenditure.

Expenditure.

Revised, 1912-13. 141. The growth in the pension charges in 1912-13, both in India and in England, has exceeded the provision made on this account in the Budget, a part of the increase being caused by a larger demand for commutation of pensions.

Budget, 1913-14. The estimates for next year provide for the normal growth of the retired list and for the grant of pensions and gratuities to discharged officers and men of the disbanded Border Military Police in the North-West Frontier Province.

Revenue.

142. The variations in the figures are unimportant and call for no remark.

XXIII AND 30.—STATIONERY AND PRINTING.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. Central Stationery Office	2,73,459	2,53,854	2,56,721	2,60,000	2,49,000	2,41,000
2. Stationery purchased for Central stores.	44,50,415	41,57,724	40,06,020	39,85,000	37,80,000	40,80,000
3. Government Presses (mainly Calcutta, Simla and Delhi)	17,56,894	16,36,549	15,71,665	15,59,000	16,65,000	16,36,000
4. Other charges	12,002	20,473	13,455	15,000	9,000	7,000
5. *Deduct*—Value of supplies to Local Governments and Administrations and to Postal and Telegraph Departments, etc.	—54,60,855	—53,02,221	—48,40,807	—48,05,000	—47,29,000	—48,89,000
6. Delhi Province	...	...	...	...	6,000	9,000
7. Baluchistan	1,914	2,186	2,800	3,000	2,000	3,000
8. North-West Frontier	71,879	83,503	82,738	1,29,000	92,000	1,09,000
TOTAL	11,05,708	11,52,068	10,92,292	11,46,000	10,74,000	11,96,000
Provincial.						
1. Central Provinces	3,27,458	4,50,161	3,37,128	3,77,000	3,69,000	4,44,000
2. Burma	8,29,139	8,13,145	7,83,162	8,09,000	8,07,000	7,93,000
3. Assam	...	...	...	1,48,000	1,73,000	1,80,000
4. Bengal (new)	...	...	...	12,55,000	14,24,000	13,60,000
5. Bihar and Orissa	...	...	...	5,00,000	3,17,000	4,69,000
6. United Provinces	8,47,854	8,65,724	8,24,460	8,54,000	8,44,000	8,65,000
7. Punjab	7,52,905	7,54,841	7,17,330	7,80,000	7,23,000	7,02,000
8. Madras	15,66,157	14,96,004	15,74,779	14,71,000	18,51,000	16,46,000
9. Bombay	15,13,361	13,34,884	13,61,930	13,25,000	12,29,000	12,47,000
Eastern Bengal and Assam	8,53,571	7,78,524	7,10,167	...	...	...
Bengal (old)	13,17,476	12,31,270	10,90,495	...	...	...
TOTAL	80,07,922	77,24,553	73,79,431	75,19,000	77,37,000	77,15,000
TOTAL INDIA ₹	91,13,630	88,76,621	84,71,823	86,65,000	88,11,000	89,11,000
Equivalent in Sterling £	607,575	591,775	564,788	577,700	587,400	594,100
England { Stores £	110,710	115,544	98,374	106,100	90,000	77,400
England { Other charges	6,437	6,850	6,529	7,600	6,400	7,200
TOTAL £	724,722	714,169	669,691	691,700	683,800	678,700

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	4,68,484	4,53,087	4,46,335	4,11,000	4,33,000	4,18,000
2. Delhi	...	...	...	...	3,000	6,000
3. Baluchistan	583	387	192	1,000	...	1,000
4. North-West Frontier	9,511	14,070	18,008	16,000	19,000	1,000
5. Other Provinces	1,83,876	2,13,430	1,97,336	1,74,000	1,78,000	1,87,000
TOTAL	6,62,454	6,80,974	6,61,671	6,02,000	6,33,000	6,29,000
Provincial.						
1. Central Provinces	45,532	45,133	37,537	44,000	40,000	59,000
2. Burma	54,137	58,890	62,280	63,000	56,000	56,000
3. Assam	...	...	...	8,000	14,000	9,000
4. Bengal (new)	...	...	...	1,35,000	1,32,000	1,30,000
5. Bihar and Orissa	...	...	...	25,000	32,000	32,000
6. United Provinces	1,63,859	1,44,974	1,48,212	1,47,000	1,42,000	1,40,000
7. Punjab	1,39,492	1,47,293	1,43,944	1,77,000	1,54,000	1,34,000
8. Madras	1,10,014	1,14,164	1,03,898	1,09,000	1,05,000	1,04,000
9. Bombay	1,00,175	1,06,311	1,24,474	1,15,000	1,20,000	1,15,000
Eastern Bengal and Assam	15,621	17,941	47,283	...	...	...
Bengal (old)	1,38,569	1,49,162	1,24,053	...	...	...
TOTAL	7,67,399	7,83,868	7,91,691	8,23,000	7,95,000	7,85,000
TOTAL ₹	14,29,853	14,64,842	14,53,362	14,25,000	14,28,000	14,14,000
Equivalent in Sterling £	95,324	97,656	96,891	95,000	95,200	94,300

EXPENDITURE.

Revised, 1912-13. 143. The total expenditure on stationery and printing—Imperial and Provincial—in 1912-13, exclusive of the charges of the commercial departments, shows a satisfactory decrease of R1·18 lakhs (£7,900) as compared with the Budget estimate, while a further decline of R 76 lakh (£5,100) is anticipated in 1913-14. The Imperial outlay in the current year, in both India and England, will fall short of the Budget provision by R3 36 lakhs in spite of an increase of R1 06 lakhs in the charges of the Government of India presses caused mainly by the transfer of a portion of the Calcutta Press to Delhi; and *Budget, 1913-14.* the Budget for 1913-14 provides for a further decrease of R·55 lakh.

Revised, 1912-13. 144. The Provincial expenditure in 1912-13 will exceed the Budget grant by R2·18 lakhs, a large excess of R3 80 lakhs in Madras mainly in connection with the purchase of the Lawrence Asylum press being partly counterbalanced by savings in Bombay and some other provinces. The large increase over the Budget provision shown against Bengal in the table at page 85 and the decrease shown against Bihar and Orissa are nominal and are caused by the printing of forms for the latter province by the former, payment for which is made by a transfer adjustment through Land Revenue. The total provision *Budget, 1913-14.* for Provincial expenditure in 1913-14 is R 22 lakh less than the Revised estimate for 1912-13, the allowance for normal growth in most of the provinces being counterbalanced by the absence of the special expenditure which will be incurred in Madras during the current year.

REVENUE.

145 The figures show little variation and call for no remark. The Imperial revenue shown against "Other provinces" represents recovery of the value of stationery supplied to railways, municipalities and other local bodies.

XXIV AND 31.—EXCHANGE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Revenue . . ₹	6,67,215	10,51,256	15,85,457	...	16,39,000	5,00,000
Equivalent in Sterling £	44,481	70,084	10[illegible],697	...	109,300	33,300
Expenditure . . ₹	...	...	...	...	...	...
Equivalent in Sterling £	...	...	...	...	...	...

146. The accounts of the Government of India are prepared on a sterling basis, the rupee transactions in India being converted into pounds at the rate of ₹15=£1 and then added to the sterling transactions in England; and the comparatively small sums which have to be brought to account owing to the fact that the remittances to defray the net expenditure in England are not effected at exactly sixteen pence to the rupee are shown under this head.

147. In the current year the average rate to be obtained on the net remittance of funds from India to England is estimated at £1=₹14·944, and there is accordingly a gain of ₹16·39 lakhs under this head. In the Budget estimate for next year, credit has been taken for a moderate receipt of ₹5 lakhs. *Revised, 1912-13.* *Budget, 1913-14.*

XXV AND 32.—MISCELLANEOUS.

EXPENDITURE.

	Accounts, 1909-1910.	Accounts, 1910-1911	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget 1913-1914.
Imperial.						
1. Remittance charges mainly in connection with movements of Government funds . .	2,92,110	3,99,493	4,48,723	3,87,000	6,21,000	4,89,000
2. Special Commissions of enquiry . .	15,443	678	8,008	8,000	1,92,000	3,30,000
3. Other charges:						
(*a*) in Delhi . .	...	...	...	...	10,000	20,000
(*b*) in the Frontier Province .	26,772	51,75	28,849	27,000	25,000	22,000
(*c*) elsewhere .	4,48,033	5,71,730	4,76,533	7,80,000	3,35,000	12,87,000
Total .	7,82,358	10,23,659	9,62,113	12,02,000	11,83,000	21,48,000
Provincial.						
1. Central Provinces .	1,06,647	93,657	1,22,415	1,38,000	1,38,000	1,47,000
2. Burma . . .	3,89,035	4,79,926	5,52,943	4,90,000	4,78,0 0	5,20,000
3. Assam . . .	...	...	...	3,47,000	3,66,000	3,88,000
4. Bengal (new) . .	...	...	...	8,13,000	5,5 ,000	9,5 3,000
5. Bihar and Orissa .	...	...	...	1,23,000	97,000	1,68,000
6. United Provinces .	13,63,207	6,57,232	2,51,451	1,47,000	1,64,000	1,85,000
7. Punjab . . .	3,12,859	3,17,888	3,07,508	4,26,000	5,27,000	5,19,000
8. Madras . . .	3,09,245	3,77,684	3,73,921	4,34,000	5,57,000	4,31,000
9. Bombay . . .	2,88,843	3,94,007	17,79,762	4,81,000	5,35,000	4,95,000
Eastern Bengal and Assam . . .	5,93,878	6,25,871	5,63,026	...	...	...
Bengal (old) . .	3,93,697	3,50,909	3,96,802	...	...	...
Total .	38,17,411	32,96,674	43,47,828	33,99,000	34,19,000	38,06,000
TOTAL INDIA . ₹	45,99,769	43,20,333	53,09,941	46,01,000	46,02,000	59,54,000
Equivalent in Sterling £	306,652	288,022	3[illegible]3,996	306,700	306,800	396,900
England . . £	50,878	31,370	34,913	31,500	37,400	48,500
TOTAL £	357,530	319,392	388,909	338,200	344,200	445,400

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget..	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General .	5,21,811	5,39,945	13,89,759	4,93,000	6,90,000	5,80,000
2. Delhi . . .	...	...	...	...	10,000	18,000
3. Baluchistan . .	...	7,738	6,769	8,000	38,000	7,000
4. North-West Frontier	1,20,077	1,29,781	1,43,547	1,42,000	1,38,000	1,06,000
5. Other Provinces .	6,03,324	8,41,284	9,03,941	4,95,000	6,40,000	6,33,000
TOTAL .	12,45,212	15,18,748	25,34,016	11,38,000	15,16,000	13,44,000
Provincial.						
1. Central Provinces .	6,88,715	2,78,708	1,17,049	1,51,000	1,61,000	78,000
2. Burma . . .	74,033	1,06,094	76,016	72,000	78,000	78,000
3. Assam . . .	...	...	...	32,000	47,000	45,000
4. Bengal (new) . .	...	...	...	4,87,000	6,36,000	5,91,000
5. Bihar and Orissa .	...	...	...	3,25,000	3,28,000	3,14,000
6. United Provinces .	5,03,517	2,27,179	4,00,649	2,75,000	3,25,000	2,95,000
7. Punjab . . .	9,42,339	7,89,241	9,69,675	7,37,000	8,63,000	3,87,000
8. Madras . . .	2,85,386	3,10,584	3,29,036	2,93,000	2,86,000	2,93,000
9. Bombay . . .	3,83,023	84,079	1,13,522	1,20,000	1,44,000	72,000
Eastern Bengal and Assam . .	2,60,160	3,02,650	3,76,197	...	...	...
Bengal (old) . .	10,09,099	6,57,848	6,68,402	...	...	...
TOTAL .	41,46,272	27,56,383	30,50,546	24,92,000	28,68,000	21,53,000
TOTAL INDIA . ₹	53 1,484	42,75,131	55,84,562	36,30,000	43,84,000	34,97,000
Equivalent in Sterling £	359,432	285,009	372,304	242,000	292,200	233,100
England . . £	14,565	29,653	36,714	16,300	15,200	21,800
TOTAL . £	373,997	314,662	409,018	258,300	307,400	254,900

148. Charges in connection with the remittance of Government treasure are Imperial in all provinces; so is the discount paid, or the premium levied, in connection with the sale of bills at treasuries and currency offices to facilitate trade remittances of funds. The only other important items of Imperial revenue realised or expenditure incurred in the various provinces under this head are those of an extraordinary character exceeding ₹10,000 in amount.

EXPENDITURE.

(*a*) *India—Imperial.*

149. The Revised estimate for 1912-13 is only ₹·19 lakh less than the Budget. The bulk of the reserve provision of ₹5 lakhs made in the latter under this head for unforeseen charges, has been appropriated to meet necessary and sanctioned outlay, mostly under other heads of account; but the resultant decrease under this head is almost wholly counterbalanced by an excess expenditure of ₹2·34 lakhs on the remittance of Government funds, caused by the heavy demand for rupees, and by the charges of the Public Service Commission which are expected to amount to ₹1·79 lakhs. *Revised, 1912-13.*

150. The Budget estimate for 1913-14 provides for normal charges, for a full year's cost of the Public Service Commission (₹3·30 lakhs), as well as for a reserve allotment of ₹10 lakhs for unforeseen expenditure. It exceeds the Revised estimate for the current year by ₹9·65 lakhs, the increase in the expenditure of the Public Service Commission being nearly counterbalanced by an anticipated reduction in the remittance charges. *Budget, 1913-14.*

(*b*) *India—Provincial.*

151. The total Revised estimate for 1912-13 does not differ materially from the Budget provision. There is a large decrease of ₹2·56 lakhs in Bengal, in spite of a lump entry of ₹1·50 lakhs to meet the cost of grain compensation allowances to menial servants, caused by the record under other heads of account, of expenditure incurred from certain reserve and other provisions which were made in the Budget under this head. But on the other hand, there is an increase of ₹1·23 lakhs in Madras, mainly in connection with the charges of certain commissions of enquiry; of ₹1·01 lakhs in the Punjab owing to the write-off of the balance of a loan given to the late Dehra Ghazi Khan municipality; and of ₹·54 lakh in Bombay caused by the grant of special contributions to local funds in aid of famine relief expenditure. The variations in the other provinces are of less importance and call for no remark. *Revised, 1912-13.*

152. The total Budget for 1913-14 is ₹3·87 lakhs higher than the Revised estimate for the current year. There is an increase of ₹3·96 lakhs in Bengal caused by a higher provision for grain compensation allowance and a reserve grant of ₹2·5 lakhs. Increases of smaller magnitude appear in the estimates of some of the other provinces. But on the other hand, there will be a decrease in expenditure in Madras, Bombay and the Punjab owing to the absence of the special items included in the Revised estimate of the current year. The decrease in the last named province would have been greater but for a reserve provision of ₹1 lakh for unforeseen expenditure. *Budget, 1913-14.*

(*c*) *England.*

153. The increase of £5,900 in the current year over the Budget estimate occurs chiefly in the miscellaneous charges connected with the supply of stores to India. The further increase of £11,100 in the Budget estimate for 1913-14 is mainly due to a provision of £10,500 for the charges of the Public Service Commission. *Revised, 1912-13.* *Budget, 1913-14.*

REVENUE.

(*a*) *India—Imperial.*

154. The increase of ₹3·78 lakhs in the Revised estimate for 1912-13 over the Budget is due to higher receipts from premia on bills, the demand for which has been stimulated by the activity of trade, and to special receipts from *Revised, 1912-13.*

Budget, 1913-14. various sources. The Budget for 1913-14 is taken at R1·72 lakhs less than the Revised estimate for the current year. Provision has been made for normal receipts only and allowance has been made for the discontinuance of the twenty per cent. contributions on the land cess hitherto recovered from rural boards in the North-West Frontier Province.

(*b*) *India—Provincial.*

Revised, 1912-13. 155. The revenue in 1912-13 is expected to exceed the Budget by R3·76 lakhs. The bulk of the improvement will be caused by larger credits on account of unclaimed deposits mostly in Bengal, and by special receipts from sale of land in the Punjab as well as from certain other sources. The absence of *Budget, 1913-14.* these abnormal receipts and the discontinuance of the twenty per cent. contribution from rural boards in the Punjab account for the decrease of R7·15 lakhs in the Budget for next year as compared with the Revised estimate for 1912-13.

(*c*) *England.*

Revised, 1912-13. 156. The Revised estimate for 1911-12 does not differ materially from the Budget. The increase in 1913-14 is due to a special receipt in respect of *Budget, 1913-14.* marine insurance and to higher receipts on account of diplomatic and consular services in Persia.

33 TO 36.—FAMINE RELIEF AND INSURANCE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
INDIA.						
Famine Relief { Imperial	9,02,639	34,789	17,14,503	20,02,000	29,30,000	6,99,000
Famine Relief { Provincial	2,93,728	252	—100	...	...	...
Construction of Protective Railways	1,80,226	4,00,969	4,37,689	4,04,000	4,35,000	1,29,000
Construction of Protective Irrigation Works	63,05,659	52,71,178	56,83,204	67,23,000	60,87,000	72,63,000
Reduction or Avoidance of Debt	71,30,068	90,16,422	68,69,505	54,98,000	52,18,000	68,01,000
TOTAL INDIA ₹	1,48,12,320	1,47,23,610	1,47,04,801	1,46,27,000	1,4 ,70,000	1,48,92,000
Equivalent in Sterling £	987,488	981,574	980,320	975,100	978,000	992,800
ENGLAND.						
Construction of Protective Railways	...	10,164	15,096	16,400	14,900	...
Construction of Protective Irrigation Works	12,512	8,262	4,584	8,500	7,100	7,200
TOTAL INDIA AND ENGLAND	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

157. The Revised estimate for the current year shows an outlay of ₹29·30 lakhs under the head "Famine Relief" against a Budget provision of ₹20·02 lakhs. The bulk of the expenditure occurs in Bombay (*viz.*, ₹28·40 lakhs), where relief operations have continued throughout the year in the northern districts and a payment of about ₹4 lakhs has been made to railways in connection with concession rates charged on the carriage of fodder. A small amount of expenditure will also be incurred in the United Provinces on account of relief operations in the Mirzapur district. The amount available for famine insurance accordingly amounts to ₹120·70 lakhs, of which ₹68·52 lakhs will be spent on Protective works and ₹52·18 lakhs appropriated for the reduction or avoidance of debt. *Revised, 1912-13.*

158. In the Budget estimate for 1913-14 provision has been made as usual for a total grant of ₹150 lakhs under this group head. A moiety of this sum will be allotted for the construction of Protective works. Out of the other moiety ₹6·99 lakhs will be required for actual famine relief expenditure, in the Ahmednagar district of Bombay (₹4·00 lakhs), the Mirzapur district of the United Provinces (₹1·99 lakhs) and in Rajputana (₹1 lakh); and the remainder, *viz.*, ₹68·01 lakhs, will be utilised for the avoidance of debt. Of the last-named sum, ₹37·50 lakhs appear in the Provincial section of the estimates as a result of the arrangements explained in the Financial Statement for 1907-08. *Budget, 1913-14.*

CONSTRUCTION OF PROTECTIVE RAILWAYS.

159. The Revised estimate for 1912-13 shows a petty excess over the Budget grant. The whole of the grant for Protective Railways in 1913-14 will again be spent on outlay on the Dharmapuri-Hosur extension of the Morappur-Dharmapuri Railway in the Madras Presidency.

CONSTRUCTION OF PROTECTIVE IRRIGATION WORKS.

160. In the Budget estimate for 1912-13 a total allotment of ₹75 lakhs was made for outlay on Protective Irrigation works. Of this sum ₹68·5 lakhs represented the amount available from the Famine Insurance grant for this purpose, and the balance of ₹6·5 lakhs was the supplementary provision made from the general resources of Government to foster the rapid development of this important class of works. The latter provision was shown under the separate head opened in the Irrigation section of the estimates. The probable expenditure, according to the Revised estimate, will, however, amount *Revised, 1912-13.*

Budget, 1913-14. to ₹61·93 lakhs only, chiefly in consequence of slow progress of work on the Tandula canal in the Central Provinces, and the Gangao dam in the United Provinces. The whole of this outlay will appear in the Famine Relief and Insurance section of the accounts, and the whole of the grant (₹6 5 lakhs) provided in the Irrigation section will lapse.

161. In the Budget estimate for 1913-14 the total allotment for Protective Irrigation works amounts to ₹90 lakhs, of which ₹73·71 lakhs represent the amount available from the Famine Insurance grant for this purpose. The balance, *viz.*, ₹16·29 lakhs, has been provided under the special head in the Irrigation section of the estimates. The distribution of the total sum of ₹90 lakhs is given in the table below:

	1912-1913.		Budget, 1913-1914.
	Budget.	Revised.	
	₹	₹	₹
1. Central Provinces:			
(i) Tandula Canal	18,45,000	10,66,000	11,64,000
(ii) Tank projects	7,56,000	5,38,000	4,55,000
(iii) Other projects, etc.	1,99,000	2,16,000	3,31,000
2. Bengal	15,000	15,000	7,000
3. Bihar:			
(i) Tribeni Canal	7,07,000	7,00,000	6,61,000
(ii) Other projects, etc.	53,000	46,000	39,000
4. United Provinces:			
(i) Betwa Canal (including Dhukwan weir)	26,000	60,000	27,000
(ii) Ken „ (including Gangao dam)	5,26,000	3,17,000	4,67,000
(iii) Dassan „	2,73,000	2,92,000	88,000
(iv) Ghaggar „	92,000	1,75,000	4,51,000
(v) Other projects, etc.	2,83,000	2,28,000	1,53,000
5. Madras:			
(i) Mopad project	1,50,000	50,000	3,69,000
(ii) Other projects	1,00,000	1,00,000	1,31,000
6. Bombay:			
(i) Godaveri Canal	7,11,000	7,30,000	5,38,000
(ii) Chankapur Tank	67,000	62,000	99,000
(iii) Pravara river project	10,99,000	10,96,000	12,38,000
(iv) Nira Right Bank Canal	5,00,000	4,21,000	28,61,000
(v) Other projects, etc.	69,000	76,000	64,000
7. Minor administrations	9,000	5,000	7,000
8. Reserve provision	2,20,000	...	5,50,000
Deduct—Allowance for possible lapses in grants	*2,00,000*	...	*7,00,000*
	75,00,00	61,93,000	90,00,000
Deduct—Amount provided in the Irrigation Section (*vide* page 99) outside the Famine Insurance Grant	*6,50,000*	...	*16,29,000*
Net provision under head "35.—Construction of Protective Irrigation Works"	68,50,000	61,93,000	73,71,000

162. The Nira Right Bank Canal was sanctioned by the Secretary of State in June 1912 and a large allotment of ₹28 61 lakhs has been made for it in next year's Budget. Considerable sums have also been provided for the Tandula, Tribeni, Godavari and Ghaggar Canals, the Gangao dam, and the Mopad and Pravara river projects.

XXVI to XXVIII and 38 to 41—RAILWAY REVENUE ACCOUNT.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
STATE RAILWAYS—						
Gross Receipts	₹ 43,38,58,967	₹ 45,94,46,336	₹ 50,36,86,936	₹ 48,85,03,000	₹ 55,45,03,000	₹ 55,13,03,000
Deduct—						
Working Expenses	24,32,14,762	24,48,54,428	25,89,45,724	23,50,00,000	27,40,00,000	28,22,49,000
Surplus profits paid to Companies, etc.	48,37,249	69,60,184	72,30,008	61,67,000	98,19,000	59,70,000
Net Receipts	18,58,06,956	20,76,31,724	23,75,11,204	21,73,36,000	27,06,84,000	26,30,84,000
Net Revenue equivalent at ₹15=£1	£ 12,387,130	£ 13,842,115	£ 15,834,080	£ 14,489,100	£ 18,045,600	£ 17,538,900
Interest and capital redemption charges—						
Interest on Debt	5,653,551	5,842,334	6,279,070	6,513,600	6,698,800	6,969,900
Annuities in purchase of Railways	3,357,708	3,357,634	3,357,301	3,357,800	3,357,700	3,379,500
Sinking Funds	165,206	171,264	177,677	184,300	184,300	191,500
Interest chargeable against Companies on advances	473,640	425,351	385,140	427,600	408,100	417,300
Interest on Capital deposited by Companies	1,894,316	2,007,339	1,825,970	1,862,700	1,848,100	1,955,100
	11,544,421	11,803,922	12,025,158	12,346,000	12,492,000	12,913,300
Net Result	842,709	2,038,193	3,808,922	2,143,100	5,553,600	4,625,600
GUARANTEED RAILWAYS—						
Net Result	1,716	710	...	...	...	...
Other Receipts	58,296	39,346	57,645	51,100	71,800	84,600
Other Charges	77,799	60,753	78,797	172,300	109,300	157,900
Net Result	—19,503	—21,407	—21,152	—121,200	—37,500	—73,300
TOTAL NET RESULT	824,922	2,017,496	3,787,770	2,021,900	5,516,100	4,552,300
Redemption of capital from revenue	760,398	786,187	812,928	842,135	840,561	869,165
STATISTICS—						
State Railways—						
Capital Expenditure to March 31st—						
Expenditure by Government	175,857,946	188,434,371	195,464,910	203,331,671	204,454,910	214,579,010
Expenditure by Companies	45,950,494	37,856,690	38,604,907	39,886,890	39,727,007	41,613,607
Outlay on the East Indian Railway from Debentures raised by the Company	14,587,268	14,587,268	14,587,268	14,587,268	14,587,268	14,587,268
Outlay on the South Indian Railway by the Company	1,513,816	1,513,816	1,513,816	1,513,816	1,513,816	1,513,816
Outlay on the Bombay, Baroda and Central India Railway by the Company	959,364	959,364	959,364	959,364	959,364	959,364
Outlay on the Great Indian Peninsula Railway by the Company	958,880	3,253,158	3,253,158	3,253,158	3,253,158	3,253,158
TOTAL	239,827,768	246,604,667	254,383,423	263,532,167	264,495,523	276,506,223
Miles open on April 1	24,066	24,604	24,873	25,215	25,176	25,643

163. The Gross Receipts and Working Expenses of State Railways include the following figures on account of the Jorhat State Railway in Assam which is the only line whose transactions are recorded in the Provincial section of the accounts:—

	Accounts, 1909-10.	Accounts, 1910-11.	Accounts, 1911-12.	Budget, 1912-13.	Revised, 1912-13.	Budget, 1913-14.
	₹	₹	₹	₹	₹	₹
Gross Receipts . .	95 895	95 331	1,16,465	1,00,000	1,10 000	1,10,000
Working Expenses .	96,184	80,826	84,107	85,000	88,000	87,000

Revised, 1912-13.
Gross Receipts

164. In view of the phenomenal growth of Gross Receipts of State Railways in 1911-12, and of the fact that a considerable portion of it was contributed by the specially favourable traffic conditions of the year, the Budget estimate for 1912-13 was deliberately taken at a moderate figure of about ₹48·85 crores. The traffic returns have again far outrun anticipations and the receipts are now expected to amount to about ₹55·45 crores or ₹6 60 crores more than the Budget estimate. The greater portion of the increase has already been earned. The improvement is due to a continuance of prosperous conditions both of trade and agriculture, which has led to an exceptionally heavy traffic in wheat, grain, and cotton; but a substantial portion of the growth is also contributed by the coaching traffic which has been stimulated by the activity of business and the marriages and pilgrimages of an auspicious Hindu year. All the principal lines share in this improvement. More than half of it is obtained naturally from the three lines, *viz.*, the East Indian, Great Indian Peninsula, and North-Western Railways, which traverse the tracts where the bulk of the exportable produce is grown. Important increases occur also on the Bombay, Baroda and Central India Railway in consequence of a brisk coaching traffic and heavy bookings of cotton, grain and fodder; on the Bengal-Nagpur Railway due to an exceptionally heavy pilgrim traffic to Puri and to larger transport of coal and other goods; on the Oudh and Rohilkhand Railway due to additional mileage opened during the year and to heavy traffic in wheat and grain; on the Madras and Southern Mahratta and South Indian Railways owing to a general development of both the passenger and the goods traffic; and on the Eastern Bengal Railway caused by a brisker movement of jute.

Working Expenses.

165. The Revised estimate of Working Expenses exceeds the Budget grant by ₹90 lakhs. The increase is due to the heavier traffic handled and also to larger expenditure on renewals of permanent-way and rolling-stock than was anticipated in the Budget.

Payment of Surplus profits, etc.

166. The increase of ₹36·52 lakhs in the provision for the payment of surplus profits to Companies is a concomitant of the improvement in the net revenue.

Budget, 1913-14.
Gross Receipts.

167. The Budget estimate of Gross Receipts in 1913-14 is taken at ₹32 lakhs less than the Revised estimate of 1912-13. It is considered prudent, in view of the heavy growth which has taken place in the revenue in the current year and of the falling-off in the earnings of the North-Western Railway as indicated in the latest traffic returns, to provide for a moderate revenue in the coming year.

Working Expenses.

168. The grant for Working Expenses in 1913-14 exceeds the Revised estimate for the current year by ₹82·49 lakhs. The increase is due to enhanced provision for necessary renewals of permanent-way and rolling-stock and to the continued rise in the price of coal. On the other hand, the Budget estimate allows for a decrease of ₹38·49 lakhs in the payment of Surplus profits to Companies, etc., in view of the lower estimate of net earnings in the coming year and of the payment in 1913-14 of surplus profits for nine months, and in some cases for only three months, consequent on the adoption of the financial in place of the calendar year for the distribution.

Payment of Surplus profits, etc.

Interest Charges.

Revised, 1912-13.

169. The rise in expenditure in 1912-13, as compared with the Budget estimate, under Interest on Debt is due to variation in the rate of interest charged on certain loan funds (*vide* paragraph 77) as well as to an increase in the Capital outlay. The saving in Interest on Capital deposited by Companies is due to failure to issue railway debentures to the extent anticipated in the

Budget, while the decrease in Interest chargeable against Companies on advances is caused by lapses in capital grants.

170. The increase in the total interest charge in 1913-14 is a result of the growth in the capital cost of Railways. *Budget, 1913-14.*

OTHER RECEIPTS.

171. The receipts shown under this head represent recoveries from the Travancore Durbar of its share of the loss on the Travancore branch of the South Indian Railway; the Government share of the surplus profits of the Rohilkhand-Kumaon, Southern Punjab and Amritsar-Patti Railways payable under the terms of their respective contracts; dividends on certain shares of the Ahmedabad-Dholka Railway allotted to the Government in repayment of expenditure incurred by it on behalf of the Railway; and sale-proceeds of land relinquished by Railway Companies. The improvement of R3·10 lakhs (£20,700) in the receipts in the current year over the Budget estimate and the further increase of R1·92 lakhs (£12,800) provided in the Budget of 1913-14 occur mainly in the Government share of the surplus profits of the Southern Punjab Railway.

OTHER CHARGES.

172. These consist of cost of land required by certain companies, the contracts with which provide for the free supply of all land wanted for the purposes of the railways undertaken by them, and of miscellaneous items such as surveys and controlling establishments (including the Railway Board). A share of the cost of control is charged to the working expenses of each railway company and the recoveries thus made are adjusted by deduction from the miscellaneous expenditure. The details are:

		1912-13.		
	Accounts, 1911-12.	Budget.	Revised.	1913-14. Budget.
Imperial.				
1. Subsidised Companies—Land	8,96,204	18,00,000	7,64,000	16,00,000
2. Miscellaneous expenditure	2,62,400	7,60,000	8,47,000	7,58,000
Provincial.				
1. Subsidised Companies—Land	13,190	19,000	19,000	10,000
2. Miscellaneous expenditure (Surveys)	10,160	7,000	9,000	...
TOTAL R	11,81,954	25,86,000	16,39,000	23,68,000
TOTAL £	78,797	172,300	109,300	157,900

Land.—A large lapse of R10·36 lakhs is expected in the Imperial Budget grant for the current year mainly in the provision for the Jullundur-Doab, Mandra-Bhon and Tiruturaipundi-Vedaraniam Railways. The principal allotments made in 1913-14 are for the Bengal and North-Western, Darjeeling-Himalayan Extension, Vishnupur-Burdwan and Tiruturaipundi-Vedaraniam Railways.

Miscellaneous Expenditure.—The increase of R·87 lakh in the Revised estimate for 1912-13 as compared with the Budget is due to the inception of certain surveys for which no provision was made in the Budget. The Budget for 1913-14 is made up as follows:— *Revised, 1912-13.* *Budget, 1913-14.*

Allotment for Surveys	8,00,000
Charges of the Railway Board and other establishments	16,08,000
Deduct—Recoveries from Railway Companies on account of cost of supervision	16,50,000
TOTAL	7,58,000

XXIX—XXX AND 42, 42-A and 43.—IRRIGATION.

IRRIGATION.	Accounts, 1909-10.	Accounts, 1910-11.	Accounts, 1911-12.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
MAJOR WORKS.	₹	₹	₹	₹	₹	₹
Revenue { Direct Receipts .	3,46,06,161	3,43,20,758	3,57,22,988	3,43,87,000	3,90,85,000	3,92,93,000
Revenue { Land Revenue .	1,67,60,820	1,76,70,078	2,02,71,977	2,07,64,000	2,25,90,000	2,29,46,000
Expenditure { Working Expenses .	1,64,13,166	1,66,44,319	1,71,76,543	1,65,88,000	1,71,35,000	1,74,39,000
Expenditure { Interest .	1,42,53,680	1,50,45,994	1,59,94,080	1,68,45,000	1,74,57,000	1,84,94,000
NET REVENUE IN INDIA . . ₹	2,07,00,135	2,03,00,523	2,28,24,342	2,17,18,000	2,70,83,000	2,63,06,000
Equivalent in Sterling £	1,380,009	1,353,369	1,521,623	1,447,900	1,805,600	1,753,700
Expenditure in England (Interest) . . £	108,465	112,344	116,595	118,500	124,800	126,900
NET REVENUE . £	1,271,544	1,241,025	1,405,028	1,329,400	1,680,800	1,626,800
CONSTRUCTION OF PROTECTIVE WORKS . £	...	...	...	43,300	...	108,600
MINOR WORKS.						
Receipts—Direct .	35,35,360	34,26,980	37,05,809	36,65,000	37,68,000	38,20,000
Expenditure . .	1,35,14,021	1,32,72,185	1,26,91,097	1,38,45,000	1,28,75,000	1,38,96,000
NET EXPENDITURE IN INDIA . . . ₹	99,78,661	98,45,205	89,85,288	1,01,80,000	91,07,000	1,00,76,000
Equivalent in Sterling £	665,244	656,348	599,019	678,700	607,200	671,700
Expenditure in England £	...	290	840	1,200	1,900	7,200
NET EXPENDITURE .	665,244	656,638	599,859	679,900	609,100	678,900
STATISTICS OF MAJOR WORKS.						
Capital Outlay to March 31 . . . ₹	48,38,58,606	50,70,02,625	53,59,97,753	56,51,80,500	56,47,02,000	59,54,52,000
Equivalent in Sterling £	32,257,240	33,800,175	35,733,184	37,678,700	37,646,800	39,696,800

General Result.

Major Irrigation.

173. Taking India as a whole, the net financial result of the working of Major Irrigation works in 1912-13 will be better than the Budget forecast by £351,400 (₹52·71 lakhs). There is a large improvement of ₹46·98 lakhs in the Direct Receipts and of ₹18·26 lakhs in the share of Land Revenue, but ₹12·53 lakhs of this are required to meet increase in expenditure. A small diminution of £54,000 (₹8·09 lakhs) in the net profit is likely to take place next year. Allowance has been made for an increase of ₹5·58 lakhs in the Gross Revenue; but this improvement will be more than counterbalanced by a higher provision of ₹3·04 lakhs for Working Expenses and a large growth of ₹10·69 lakhs in the interest charges in consequence of the considerable outlay now being incurred on new projects in the Punjab and elsewhere, the benefits of which will not be realised for some time to come. The net

Minor Irrigation.

result under Minor Irrigation works in 1912-13 is slightly better than the Budget estimate, owing to a small improvement in revenue and a considerable saving in expenditure; the estimate for next year provides for a further small growth in the receipts and for a much larger expenditure.

174. The figures for Land Revenue due to Irrigation have already been examined in paragraphs 10 and 11 along with those for Land Revenue proper. The details of the other heads are exhibited in the following tables.

XXIX AND 42.—MAJOR WORKS.

Direct Receipts.

IRRIGATION.	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. Central Provinces .	31,589	57,701	58,708	85,000	76,000	90,000
2. Burma . .	8,10,710	8,20,748	9,15,430	10,52,000	10,23,000	10,72,000
3. United Provinces .	3,50,824	3,21,223	3,13,702	2,62,000	2,35,000	3,00,000
4. North-West Frontier	7,52,119	7,16,876	7,19,905	7,50,000	8,50,000	7,50,000
Total .	19,45,233	19,16,548	20,07,545	21,49,000	21,89,000	23,12,000
Divided and Provincial.						
1. Bengal . . .	...	...	...	2,63,000	2,63,000	2,80,000
2. Bihar and Orissa .	...	...	...	22,87,000	22,50,000	23,80,000
3. United Provinces .	88,74,540	83,34,478	82,60,232	75 57,000	79,72,000	82,41,000
4. Punjab . .	1,93,96,790	1,99,88,912	2,03,07,959	2,05,25,000	2,48,43,000	2,44,70,000
5. Madras . .	4,21,048	2,68,820	2,53,000	2,64,000	2,60,000	2,58,000
6. Bombay . .	12,66,051	12,48,238	13,35,112	13,42,000	13,28,000	14,52,000
Bengal (old) . .	27,02,520	25,63,762	25,58,000	...	...	...
Total	3,27,60,928	3,24,04,210	3,37,15,443	3,22,38,000	3,68,96,000	3,70,81,000
TOTAL ₹	3,46,06,161	3,43,20,758	3,57,22,988	3,43,87,000	3,90,85,000	3,92,93,000
Equivalent in Sterling £	2,307,077	2,288,051	2,381,533	2,292,500	2,605,700	2,619,500

WORKING EXPENSES.

Imperial.						
1. India General (Reserve provision)	...	...	...	1,63,000	...	1,45,000
2. Central Provinces .	23,106	29,600	34,938	70,000	70,000	50,000
3. Burma . . .	2,19,178	2,61,250	3,62,822	4,43,000	4,67,000	4,45,000
4. United Provinces .	2,35,640	2,49,611	3,73,614	4,28,000	3,78,000	4,50,000
5. North-West Frontier	2,63,153	3,15,664	3,21,398	2,70,000	3,30,000	2,10,000
Total .	7,41,077	8,56,125	10,92,772	13,74,000	12,45,000	13,00,000
Divided and Provincial.						
1. Bengal . . .	...	...	...	2,26,000	2,76,000	2,40,000
2. Bihar and Orissa .	...	...	...	12,23,000	11,25,000	12,66,000
3. United Provinces .	34,63,138	32,06,415	31,11,394	30,18,000	30,00,000	30,17,000
4. Punjab . .	75,32,165	74,15,645	79,35,356	71,16,000	80,03,000	80,62,000
5. Madras . .	21,64,886	23,57,219	22,23,700	22,43,000	20,63,000	21,24,000
6. Bombay . .	10,49,428	13,53,730	14,11,244	13,88,000	14,23,000	15,00,000
Bengal (old) . .	14,62,472	14,55,185	14,02,067	...	...	...
Total .	1,56,72,089	1,57,88,194	1,60,83,771	1,52,14,000	1,58,90,000	1,61,39,000
TOTAL INDIA ₹	1,64,13,166	1,66,44,319	1,71,76,543	1,65,88,000	1,71,35,000	1,74,39,000
Equivalent in Sterling £	1,094,211	1,109,621	1,145,103	1,105,900	1,142,300	1,162,600

The Imperial figures shown against the United Provinces represent the transaction of the Betwa, Ken and other "protective" canals.

Direct Receipts.

(a) *Imperial.*

Revised, 1912-13. 175. The total revenue in 1912-13 will exceed the Budget estimate by R 40 lakh, an improvement of R1 lakh in the North-West Frontier Province owing to an increase in the irrigated area, being partly counterbalanced by unimportant shortages in collections in the other provinces. *Budget, 1913-14.* The Budget estimate for 1913-14 is generally based on the prospects of *rabi* irrigation in the current year and a normal *kharif* irrigation in the ensuing year, and the total collections are taken at R·23 lakh higher than in 1912-13.

(b) *Divided and wholly Provincial.*

Revised, 1912-13. 176. The total Revised estimate for 1912-13 shows a large increase of R46·58 lakhs over the Budget. The bulk of this improvement, *viz*, R43 18 lakhs, will occur in the Punjab where the progress made with the Triple Canal project is bringing new areas under irrigation. A rise of R3 95 lakhs in the collections is also expected in the United Provinces, where insufficient rain has necessitated the irrigation of larger areas for the *kharif* The variations in the other provinces are unimportant and call for no remark.

Budget, 1913-14. 177 The total Budget for 1913-14 provides for a growth in the collections of R1·85 lakhs only. The estimates are generally based on the demand for *rabi* irrigation in the current year and on normal requirements in connection with next year's *kharif*. Provision for a large increase has been made in Bihar and Orissa, and in the United Provinces, the insufficiency of winter rains having stimulated the demand for canal water for the standing *rabi* crops; and also in Bombay owing to the opening of the Godavari left bank canal and the revision of rates on the Nira canal On the other hand, the revenue in the Punjab has been taken at R3 73 lakhs less than the current year's Revised, in view of the doubtful prospects on some of the canals and the possible need for remissions, and also of the gradual supersession of owner's rates on certain canals by consolidated land revenue assessments.

Working Expenses.

(a) *Imperial.*

Revised, 1912-13. 178 The total Revised estimate for 1912-13 falls short of the Budget provision by R1 29 lakhs The decrease is due to a lapse in the reserve provision. only a portion of which was utilised to push on work on the Kabul River *Budget, 1913-14.* and the Lower Swat canals In the Budget estimate for 1913-14 provision has been made for a reserve allotment of R1 45 lakhs and for higher outlay on the Imperial canals in the United Provinces. But a large reduction is expected in the outlay on the canals in the North-West Frontier Province and the total Budget is only R 55 lakh higher than the Revised estimate for the current year.

(b) *Divided and wholly Provincial.*

Revised, 1912-13. 179. The total expenditure in 1912-13 exceeds the Budget grant by R6·76 lakhs. There is a large excess of R8 87 lakhs in the Punjab chiefly in consequence of higher outlay on special works and repairs on some of the canals, higher collection fees on the Upper Bari Doab canal and purchase of tramway plant for the head works of the Sirhind and Lower Chenab canals. On the other hand, a considerable saving of R1 80 lakhs is expected in Madras owing mainly to want of labour and postponement of certain works for which provision was made in the Budget. The variations in the other provinces are unimportant and call for no remark.

Budget, 1913-14. 180. The estimates for 1913-14 provide generally for a normal scale of expenditure, and the total Budget exceeds the Revised estimate for 1912-13 by only R2·49 lakhs.

42A.—EXPENDITURE ON PROTECTIVE IRRIGATION WORKS IN ADDITION TO THAT CHARGED UNDER FAMINE RELIEF AND INSURANCE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
India . . .	...	...	...	6,50,000	...	16,29,000
Equivalent in sterling £	...	...	...	43,300	...	108,600

181. The figures have been already explained in paragraphs 160 and 161.

XXX AND 43.—MINOR WORKS AND NAVIGATION.

Revenue.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	23,724	23,215	18,852	25,000	20,000	22,000
2. Delhi	...	...	...	...	...	1,000
3. Baluchistan	45,833	25,060	46,405	70,000	67,000	71,000
4. Punjab	7,85,999	8,51,662	7,42,805	7,60,000	7,50,000	7,76,000
Total	8,55,556	9,09,937	8,08,162	8,55,000	8,37,000	8,70,000
Divided and Provincial.						
1. Central Provinces	19,210	31,673	31,045	35,000	37,000	50,000
2. Burma	11,75,072	10,05,119	12,75,025	12,50,000	12,82,000	13,03,000
3. Assam	...	...	...	...	...	...
4. Bengal (new)	...	...	...	6,45,000	7,26,000	7,36,000
5. Bihar and Orissa	...	...	...	83,000	72,000	72,000
6. United Provinces	1,69,725	1,60,020	1,50,841	1,46,000	1,64,000	1,42,000
7. Punjab	52,139	62,456	56,359	61,000	65,000	66,000
8. Madras	2,47,299	2,08,406	2,16,985	2,15,000	2,25,000	2,14,000
9. Bombay	3,50,825	3,57,404	3,65,836	3,75,000	3,00,000	3,67,000
Eastern Bengal and Assam	14	74	48	...	...	...
Bengal (old)	6,65,520	6,91,891	8,01,498	...	...	...
Total	26,79,804	25,17,043	28,97,647	28,10,000	29,31,000	29,50,000
TOTAL . R	35,35,360	34,26,980	37,05,809	36,65,000	37,68,000	38,20,000
Equivalent in Sterling £	235,691	228,465	247,054	244,300	251,200	254,700

Expenditure.

Imperial.						
1. India General	1,14,102	1,01,264	78,641	8,02,000	1,05,000	7,17,000
2. Delhi	...	...	...	...	2,000	3,000
3. Baluchistan	2 90,524	3,83,355	3,04,208	1,06,000	3,63,000	1,11,000
4. Punjab	9,94,141	10,47,668	10,0 ,200	10,10,000	9,58,000	8,92,000
5. North-West Frontier	49,739	90,069	39,090	58,000	35,000	61,000
Total	14,48,506	16,22,356	14,31,139	19,76,000	14,63,000	17,84,000
Divided and Provincial.						
1. Central Provinces	4,89,387	4,53,536	5,35,221	6,00,000	5,00,000	5,00,000
2. Burma	11,33,352	13,02,074	14,26,708	14,60,000	14,00,000	14,50,000
3. Assam	...	...	...	72,000	71,000	2,01,000
4. Bengal (new)	...	...	...	16,67,000	16,02,000	18,69,000
5. Bihar and Orissa	...	...	...	5,03,000	5,04,000	5,05,000
6. United Provinces	4,74,342	5,35,848	4,22,432	3,39,000	4,34,000	2,58,000
7. Punjab	69,786	80,897	1,07,297	1,13,000	1,06,000	1,95,000
8. Madras	41,07,925	37,41,377	35,70,377	39,28,000	35,70,000	38,94,000
9. Bombay	35,11,195	33,56,346	31,73,167	31,87,000	32,25,000	32,40,000
Eastern Bengal and Assam	1,17,152	1,07,133	1,29,956	...	...	...
Bengal (old)	21,61,876	20,72,618	18,94,800	...	...	...
Total	1,20,65,515	1,16,49,829	1,12,59,958	1,18,69,000	1,14,12,000	1,21,12,000
TOTAL INDIA R	1,35,14,021	1,32,72,185	1,26,91,097	1,38,45,000	1 28,75,000	1,38,96,000
Equivalent in Sterling £	900,935	884,813	846,073	923,000	858,400	92 ,400
England	...	290	840	1,200	1,900	7,200
GRAND TOTAL	900,935	885,103	846,913	924,200	860,300	933,600

REVENUE.

(*a*) *Imperial.*

182. The figures show little variation and call for no remark.

(*b*) *Divided and Provincial.*

Revised, 1912-13.

183. The total Revised estimate for 1912-13 exceeds the Budget by R1 21 lakhs mainly owing to larger collections in Bengal where the Madaripur Bhil route is now kept open to steamer traffic throughout the year consequent on the deepening of its channel. In 1913-14 provision has generally been made for normal receipts, and the total Budget does not differ materially from the Revised estimate of the current year.

Budget, 1913-14.

EXPENDITURE.

(*a*) *Imperial.*

Revised, 1912-13.

184. The Budget estimate of the current year included the usual grant of R5 lakhs in aid of special expenditure entailed by the recommendations of the Irrigation Commission and a reserve provision of R1·52 lakhs to meet unforeseen requirements. R2·51 lakhs out of the special grant are being spent on the Nar Nallah scheme in Baluchistan; while R1 30 lakhs have been allotted to the Government of the United Provinces for tank restoration works and placed at its credit by an assignment of Land Revenue (*vide* paragraph 25). The balance of the special grant and the whole of the reserve provision will lapse. Savings are also expected in almost every province in the allotment made in the Budget for expenditure on the minor irrigation and navigation works which are classed as wholly Imperial. These causes account for the decrease of R5·03 lakhs in the Revised estimate of the current year as compared with the Budget.

Budget, 1913-14.

185. The total Budget estimate for 1913-14 exceeds the Revised for 1912-13 by R4·00 lakhs. Allowance has been made for the special grant of R5 lakhs and a reserve of R·97 lakh; but no provision exists for the Nar Nallah scheme, as an allotment will be made for it later in the year from the special grant. The decrease in the Indian outlay in the Punjab is counterbalanced by the provision for higher purchase of stores for this province in England.

(*b*) *Divided and Provincial.*

Revised, 1912-13.

186. The total expenditure in 1912-13 is likely to fall short of the Budget grant by R4·57 lakhs. There is a decrease of R3·58 lakhs in Madras owing to non-utilisation of a lump provision made in the Budget with reference to a resolution of the provincial Legislative Council, and to a slower progress on works; and of R1 lakh in the Central Provinces due to transfer of funds to Civil Works to meet the cost of certain irrigation buildings. Lapses of smaller magnitude are expected in most other provinces. In the United Provinces the outlay on tank restoration works mentioned above is partly obscured by a lapse in ordinary grants, and the total expenditure will exceed the Budget provision by R·95 lakh only.

Budget, 1913-14.

187. The total Budget for 1913-14 exceeds the Revised estimate of the current year by R7 lakhs. There is an increase of R3·24 lakhs in Madras chiefly in consequence of a larger provision for expenditure on works and the restoration of the lump provision mentioned above; of R2·67 lakhs in Bengal caused mainly by provision for higher outlay on the Madaripur Bhil scheme; and of R1 30 lakhs in Assam where a special allotment has been made for a snag boat. In the Punjab also, a special provision has been made for the Kahan hill torrent reservoir scheme. But these excesses, as well as increases of less importance in Burma, Bombay, and Bihar and Orissa are partly counterbalanced by a decrease of R1 76 lakhs in the United Provinces due mainly to the absence of expenditure incurred in the current year from the special Imperial subvention for tank works.

44.—CONSTRUCTION OF RAILWAYS CHARGED TO PROVINCIAL REVENUES.

		Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913.		Budget, 1913-1914.
					Budget.	Revised.	
Provincial							
Assam . .	₹	18,671	11,928	12,535	52,0	61,000	32,000
	£	1,245	795	836	3,500	4,100	2,100

188. The charges represent capital outlay in connection with the Jorhat Railway and are unimportant in character.

XXXI and 45.—CIVIL WORKS.

EXPENDITURE

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	20,02,179	23,08,460	34,19,254	31,61,000	74,33,000	49,72,000
2. Delhi Province	...	...	...	...	6,50,0 0	6,73,0 0
3. Baluchistan	8,11,172	9,9 .034	8,60,851	9,00,000	9, ,00)	10, 3,0 0
4. North-West Frontier	21,45,032	21,5 ,275	23,35, 28	27,61,000	2 ,0 ,000	32,4 ,0 0
5. Other Provinces	36,53,952	40,49,764	46,2 ,372	36,49,000	43,8 ,000	49,03,000
Total	86,12,335	95,05,533	1,12,37,405	1,04,71,000	1,61, 8,000	1,48,59,000
Provincial.						
1. Central Provinces	60,27,432	57,45,570	56,3 ,2 2	62,33,000	66,33,000	6 ,8 ,0 0
2. Burma	67,23,437	85,40,240	1,01,61,370	86,98,000	83,30, 00	1, 0,5 ,000
3. Assam	...	...	...	27,58,000	42,3 ,000	39,65,000
4. Bengal (new)	...	...	...	94,00,000	1,04, 4,00)	1,0 ,50,0 0
5. Bihar and Orissa	...	...	...	69,66,00)	61,1 ,0 0	78,01,000
6. United Provinces	2 2 1,073	70,6 ,420	71,21,797	74,71,000	78,05,000	70,25,000
7. Punjab	50,24,580	51,27,73	62,75,248	88,23,000	67,0 ,000	1,03,61,000
8. Madras	73,97,567	95,37,540	1,10, 2,037	1,50,74,000	1,54,2 ,0 00	1,5 ,85,0 0
9. Bombay	77,42,683	83,31,664	1,35,42,061	76,84,000	98, ,7,000	92,62,000
Eastern Bengal and Assam	64,83,969	64,30,307	67,18,032	...	...	...
Bengal (old)	66,27,302	65,59,036	88,21,485	...	...	...
Total	5,22,48,043	5,73,37,503	6,92,88,892	7,31,07,000	7,56,01,000	8,25,95,000
TOTAL INDIA . ₹	6,08,60,37	6,6 ,43,041	8,05,26,297	8,35,78,000	9,17,89,000	9,74,54,000
Equivalent in Sterling £	4,057.3 8	4,456 203	5,3 ,8,419	5,571,900	6,119,200	6,4 7,0 0
England . . . £	78,548	80,464	84,793	79,800	0,50)	85,400
TOTAL . £	4,135,906	4,536,667	5,453,212	5,651,700	6,209, 00	6,582,400

REVENUE.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	Budget, 1913-1914.
Imperial.						
1. India General	80,792	79,646	6,38,618	59,000	1,34,000	1,1 ,000
2. Delhi	...	...	...	...	...	1,000
3. Baluchistan	40,919	35,267	44,388	38,000	39,000	39,0 0
4. North-West Frontier	1,39,60	1,42,803	1,37,2 0	1,41,000	3,63, 0)	1,42,000
5. Other Provinces	2,48,698	2,32,559	2,33,632	2,09,000	2, 0,00)	2,25,000
Total	5,10,0 5	4,90,275	10,53,848	4,47,000	7,86,000	5,20,000
Provincial.						
1. Central Provinces	5,95,280	6,08,888	5,64,490	6,46,000	5,74,000	6,26,000
2. Burma	3,2 ,908	3,02,151	2,96,425	2,86,000	3,07,000	2,8 ,000
3. Assam	...	...	...	1,43,000	1,47,000	1,48, 00
4. Bengal (new)	...	...	...	12,83 000	5,64,000	5,24,000
5. Bihar and Orissa	...	...	...	2,10,000	2,91,0 0	3,25,000
6. United Provinces	3,40,318	3,83,0 9	4,27,046	3,57,000	4,82,00)	4,4 ,00
7. Punjab	4,94,068	4,97,163	6,20,941	5,61,000	5,25,000	5,28,0 0
8. Madras	2, 2,016	2,44,649	2,7 ,824	2,63,000	2,9 ,0 0	2,8 ,00
9. Bombay	7,53,872	7,23,318	7,04,497	6,18,000	7,59,000	5,98,000
Eastern Bengal and Assam	3,25,434	3,47,302	3,46,260	...	...	...
Bengal (old)	4,28,876	5,10,734	6,18,536	...	...	...
Total	35,21,772	36,17,224	38,50,019	43,67,000	39,48,000	37,84,000
TOTAL INDIA . ₹	40,31,787	41,07,499	49,03,867	48,14,000	47,34,000	43,04,000
Equivalent in Sterling £	268,786	273,833	326,924	320,900	315,600	286,900
England . . £	...	20,000	...	...	...	...
TOTAL . . £	268,786	293,833	326,924	320,900	315,600	286,900

189. The Imperial revenue and expenditure shown against "Other Provinces" represent the transactions in connection with the buildings of the various departments (*e g.*, Salt, Customs, etc.) whose receipts and charges are wholly Imperial.

EXPENDITURE.

(*a*) *Imperial*:—*India and England.*

Revised, 1912-13.

190. The Civil Works expenditure of Delhi province proper in 1912-13 is likely to amount to R6 50 lakhs, exclusive of outlay on post and telegraph offices, etc, which is chargeable under standing rules to the ordinary grant for Imperial Civil Works. The amount is made up as follows :—

		Lakhs of Rs.
Ordinary expenditure		1·07
Special expenditure on :—		
(1) Buildings for additional police	1·24	
(2) Improvements to roads, etc., inclusive of provision for a grant of R2·88 lakhs to the funds of the notified area for various public improvements	3·84	
(3) Preservation of antiquities	·35	
		5·43
		6 50

191. Excluding Delhi the total Revised estimate for the current year exceeds the Budget by R52 27 lakhs Of this increase, R47 lakhs represent outlay in connection with the temporary buildings required for the Government of India at Delhi; and the remainder is due to a higher payment of leave allowances in England and to certain pressing demands, *e g*, the purchase of a building for the Currency Office at Madras and the extension of the salt golahs at Sulkea, for which no provision was made in the Budget. The main details of the expenditure of R47 lakhs on Temporary Delhi in the current year are given below, the figures being in approximate lakhs :—

Buildings :	Secretariat offices and Council Chamber	8	
	Quarters for Indian clerks and press workmen	7	
	Conversion of Circuit House into a temporary Government house	4	
	Housing of Viceregal staff	3	
	Quarters for additional members of the Imperial Legislative Council at Metcalfe House	2	
	Housing of officers	2	
	Press buildings	1	
			27
Compensation for land required for temporary works			4
Establishments			3
Electric lighting			3
Furniture			2
Medical and sanitary arrangements including drainage and sewerage			3
Water-supply			1
Roads in temporary works area			1
Tools and plant			1
Other miscellaneous items			2
			47

Budget, 1913-14.

192 In 1913-14 the total Imperial grant has been fixed at Rs 111·57 lakhs, exclusive of Rs. 3 53 lakhs allotted for petty expenditure incurred in the Civil Department in the several minor administrations, and of sums

aggregating Rs. 46·30 lakhs to be spent by the administrations of North-West Frontier Province (Rs. 31·60 lakhs), Baluchistan (Rs. 8·20 lakhs) and Delhi (Rs. 6·50 lakhs). The purposes to which this grant of Rs 111·57 lakhs will be applied are shown below:—

	Lakhs of Rupees.	
(*a*) Ordinary grant:—		
(1) Establishment and Tools and Plant and Suspense	17·61	
(2) Repairs	18·75	
(3) Works in progress	20·27	
(4) New Works:—		
(*a*) Costing up to Rs. 5,000	9·55	
(*b*) Costing more than Rs. 5,000	17·84	
(5) Payments in England on stores, furlough allowances, etc.	12·81	
(6) Reserve provision for archæological expenditure	1·00	
(7) Reserve provision for other unforeseen expenditure	5·49	
		103·32
(*b*) Special grant for temporary buildings at Delhi:—		
(1) New works (mainly improvement of quarters for press workmen).	2·25	
(2) Repairs (including rents of leased bungalows and taxes).	2·75	
(3) Electric lighting	2·25	
(4) Establishment	1·00	
		8·25
		111·57

193. The following is a list of the new works and works in progress in which it is probable that allotments of Rupees one lakh or more will be made from the ordinary grant in the ensuing year:—

Provinces.	Name of Works.	Amount of grant.
		₹
India (General)	New Jail at Secunderabad	1,00,000
	Radio station at Bangalore	1,50,000
Central Provinces	Postal building at Nagpur	1 50,000
Burma	Customs House, Rangoon	1,50,000
Do.	Telegraph office, Rangoon	1,50,000
Bengal	Extension of Salt golas, Sulkea	1,50,000
Do.	Extension of Central Telegraph Office, Calcutta	3,00,000
Do.	Reconstruction of new Stamps and Stationery Office, Calcutta	1,50,000
Punjab	New Council Chamber, Simla	1,34,000
Bombay	Customs House, Karachi	1,50,000
Do.	Do. do., Bombay	3,00,000
Do.	Currency Office, Bombay	1,50,000

194. In the Budget estimate of the North-West Frontier Province for 1913-14 provision has been made for special expenditure for the improvement of roads and for certain works required in connection with the conversion of the Border Military Police to Frontier Constabulary. The Delhi Budget for next year includes provision for the following special items besides a reserve allotment of Rs. ·50 lakh:—

	Lakhs of Rupe
(1) Improvement to roads, etc.	3·75
(2) New police buildings	1·00
(3) Archæological expenditure	·25
	5·00

(*b*) *India—Provincial.*

Revised, 1912-13. 195. The total Revised estimate for 1912-13 exceeds the Budget provision by R24·94 lakhs The increase is, however, nominal and is caused by the record under this head of a portion of the expenditure from the special Imperial grants for education, sanitation and other beneficial services, for which provision was made elsewhere in the Budget. The total outlay of this class will amount to about R79 lakhs; and excluding this sum, the Revised estimate under Civil Works falls short of the Budget by about R54 lakhs. The real saving is larger, for a portion of the expenditure against some of the ordinary grants provided in the Budget under Education, Medical and other heads, is recorded in the accounts under Civil Works. Considerable lapses in the grants provided under the latter head are expected in the Punjab (about R25 lakhs), where it will be impossible to push through the heavy programme of new roads and buildings contemplated in the Budget; in Bihar and Orissa (about R15 lakhs) mainly in the allotments for special works at Bankipur and Ranchi; in Bengal (about R10 lakhs) owing to non-utilisation of a lump provision of R3·61 lakhs for grants to district boards and slower progress of work on new buildings; in Madras (about R10 lakhs) where the allotments for new buildings and for water-supply and drainage schemes will not be fully utilised owing to delay in the preparation of proper estimates and in the acquisition of site, and to other reasons; and in Burma where the Local Government has decided to save for future expenditure R9½ lakhs of the special Imperial grant given in 1911-12 for the development of communications. In the United Provinces also, lapses of about R5 lakhs are expected mainly in the allotments for the Lucknow Medical College and Allahabad High Court buildings; but it is probable that the money will be utilised for other purposes. In Assam and Bombay alone there will be any real excess over the Budget grants. In the former province a vigorous programme for the improvement of communications has been started, while considerable outlay is also being incurred in connection with frontier roads. In Bombay an additional grant of R3 lakhs has been sanctioned for urgent minor works.

196. The table below compares the details of the grants for 1913-14 in the various provinces, so far as settled at present with the probable expenditure in the current year.

REVISED, 1912-13.

[Lakhs of Rupees.

PROVINCES.	GRANTS TO		OUTLAY IN THE PUBLIC WORKS DEPARTMENT ON			Other items.	Allotments from discretionary Imperial grant.	TOTAL.
	Local Boards and Municipalities.	Other local bodies.	Original works.	Repairs.	Establishment charges.			
1. Central Provinces .	2·20	...	32·29	20·43	9·72	1·69	...	66·33
2. Burma .	3·84	...	27·50	32·50	17·50	1·96	...	83·30
3. Assam .	5·48	...	20·51	10·56	5·00	·76	...	42·31
4. Bengal .	20·51	13·00	42·96	16·52	10·57	1·38	...	104·94
5. Bihar and Orissa .	10·27	...	37·22	5·85	7·00	·85	...	61·19
6. United Provinces .	9·59	...	36·76	21·71	8·79	1·20	...	78·05
7. Punjab .	7·09	...	32·99	15·28	8·39	2·66	...	67·01
8. Madras .	62·38	22·50	46·95	8·24	12·60	1·54	...	154·21
9. Bombay .	13·49	...	49·46	19·31	12·89	3·52	...	98·67
TOTAL .	135·45	35·50	326·64	150·40	92·46	15·56	...	756·01

BUDGET, 1913-14.

(Lakhs of Rupees.

PROVINCES.	GRANTS TO		OUTLAY IN THE PUBLIC WORKS DEPARTMENT ON					TOTAL.
	Local Boards and Municipalities.	Other local bodies.	Original works.	Repairs.	Establishment charges.	Other items.	Allotment from discretionary Imperial grant.	
1. Central Provinces	2·27	...	2·01	21·74	10·10	1·36	2·50	69·88
2. Burma	10·04	...	43·38	34·20	1·00	1·96	4·00	110·58
3. Assam	7·01	...	11·76	11·45	6·12	·81	2·50	39·65
4. Bengal	16·53	13·00	42·96	16·30	10·5.	1 04	4·00	104·50
5. Bihar and Orissa	9·02	...	50·07	6·85	·25	·82	4·00	18·01
6. United Provinces	4·29	...	29·23	21·46	9·5	1	4·00	70·25
7. Punjab	7·65	...	63·41	15·91	8·3	·34	4·00	103·61
8. Madras	66·12	18·50	44·60	·81	12·85	2·98	4·00	156·85
9. Bombay	8·02	...	43·77	20·30	14·20	2·25	4·00	92·02
TOTAL	130·95	31·50	361·19	156·02	9··01	17·28	33·00	825·95

197. Of the total Budget grant of R825·95 lakhs proposed for 1913-14 R33 lakhs represent the portion (*viz.*, about one-third) of the discretionary grant of R100 lakhs from Imperial revenues (*vide* paragraph 23) which has been made available for expenditure in the ensuing year. Lump allotments have been added under this head as shown in the table in the preceding paragraph, from which each Local Government will be at perfect freedom to make necessary re-appropriations for any schemes to which it may decide to apply the funds placed at its disposal. *Budget, 1913-14.*

198. The total provision for grants to Local Boards and Municipalities in 1913-14 is R4·5 lakhs less than the similar expenditure in 1912-13. There is an increase of R6·20 lakhs in Burma in consequence of a lump allotment of the entire unexpended balance of the old Imperial subvention for sanitation; of R3·74 lakhs in Madras where provision has been made for large grants to local boards for roads, bridges and protected wells in rural areas; and of R1·53 lakhs in Assam where it is contemplated to make increased grants to local boards for the improvement of communications. But these increases are more than counterbalanced by reductions in the other provinces. The decreases in the grants in Bengal, Bihar and Orissa, and the United Provinces are caused by lump reductions which have been made to provide for the discontinuance of certain contributions in connection with the surrender to rural boards of the amounts which are now appropriated for Provincial use from the cess on land (*vide* paragraph 16). In the Punjab, also, a similar reduction has been made; but it is nearly counterbalanced by a lump allotment of R2 lakhs for feeder roads. In Bombay, the Revised estimate for the current year includes a payment of R3·91 lakhs to municipalities for special sanitation schemes out of the provision made for this purpose in the Budget under the medical head (see paragraph 122); and the absence of this special payment as well as a smaller provision for the improvement of water-supply in districts affected by the scarcity account for the decrease of R5·47 lakhs in the Budget of 1913-14 as compared with the Revised for 1912-13.

199. The figures shown under "Grants to other local bodies" consist of contributions to the Chittagong Port Trust (R1·5 lakhs), the Calcutta Improvement Trust (R11·50 lakhs), the Madras Corporation (R12·5 lakhs) and the Madras Port Trust (R6 lakhs). The second and third of these contributions represent grants from Imperial revenues passed through the Provincial accounts.

200. A higher provision for repairs has been made in most of the provinces to meet the requirements of new roads and buildings. The grant for "Original works" in Burma includes the unspent balance (R9½ lakhs) of the

Imperial subvention for the development of communications which was given last year and R20 lakhs out of the similar contribution which it is proposed to make in the current year. In the other provinces, the prosperous condition of provincial finances has again made it possible for the Local Governments to allot large sums in their Budgets for 1913-14 for new roads, buildings and other public improvements. Provision for an unusually heavy programme has been made in the Punjab where the provincial balances have been very largely swelled in consequence of the windfall received from the sale of proprietary rights in canal colonies; and the grant for 1913-14 is very nearly double the probable outlay in the current year. Large sums have been allotted for additional roads, official residences at Lahore and other places, police buildings, the enlargement of the Civil Secretariat building, and other public improvements. In Bihar and Orissa, a provision of R20 lakhs has been made for special works at Bankipur. The Madras Budget includes R4·63 lakhs for buildings required in connection with the Meyer scheme for the redistribution of districts.

REVENUE.

(*a*) *Imperial.*

Revised, 1912-13. 201. The revenue in the current year is likely to exceed the Budget estimate by R3·39 lakhs owing to a credit of R2·21 lakhs for earthwork done by the Public Works department for railways, special receipts from the sale of buildings, and the recovery of rents on account of the temporary quarters occupied by Government officials at Delhi. The absence of these special receipts explains the decrease of R2·66 lakhs in the Budget for 1913-14 as compared with the Revised estimate for the current year.

Budget, 1913-14.

(*b*) *Provincial.*

Revised, 1912-13. 202. The total Revised estimate for 1912-13 will fall short of the Budget by R4·19 lakhs. A large decrease of R7·19 lakhs in Bengal caused by the non-realisation of any portion of the sale-proceeds of the Sibpur College buildings is partly counterbalanced by increased receipts of R1·41 lakhs and R1·25 lakhs respectively in Bombay and the United Provinces from sale of buildings, old materials and other sources. The Budget estimate for 1913-14 provides generally for normal receipts in all the provinces.

Budget, 1913-14.

XXXII and 46.—ARMY.

	Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	1913-1914. Budget.
EXPENDITURE.						
INDIA—	R	R	R	R	R	R
Effective Services—						
Administration	66 33 250	66,83 360	69,23 994	68 55 270	69,54 000	69 51 390
Military Accounts	26 12 931	29,05 030	29 15,540	28,58 380	28 89,000	28 92,650
Regimental Pay, etc.	12,27 98 340	12,36,87,512	12 45 65 [illegible]3	12 23 53 880	12 19 55,000	12 27 71 940
Supply and Transport	3,21,13 557	3,13 62 808	3,01,50 763	3,12 33 340	3 26 55 000	3 16 46 030
Veterinary	4,70 215	4 83 010	4 93 567	4 98,160	5 00 000	5,00 040
Clothing	14,76 415	12 67 622	12 58 800	15 45 840	15 44 000	15 25 300
Remounts	50 89 503	58 56,219	47,13 862	48 81 530	48 55 000	50 31,810
Medical Services	58 96 437	59 31 695	57 83 758	59 05,120	57 64,000	58 87 100
Medical Stores	3,32 415	4,71,111	5 65 779	4,18 090	5 39 000	4,78 320
Ordnance	1,01 58 145	90 19 530	88,17,906	98 24 480	97,51 000	93 03 710
Ecclesiastical	4,24 433	4,14,366	4,17 979	4,25,730	4 40 000	4 37,300
Education	11,85,707	12 71,489	12 52 272	12 50 490	12,33 000	13 23 700
Compensation for food, etc.	62,66 369	48 22 562	48 96,685	43 59,560	55 95 000	43 65 560
Miscellaneous Services	17,68 262	24 82 495	19 22,432	25,21,000	27 64 000	22 51 240
Hutting	7 31,012	4 39 805	3 04 955	2,60 000	6 99 000	2 00 000
Conveyance by road, river and sea	7,96 838	8 62,827	8,74 [illegible]56	14 20 420	14,71 000	13,04 3[illegible]0
Conveyance by rail	36,75 923	37,76 339	43 35 239	36 96,750	39 04 000	44 12 690
Cantonments	13 22,530	16 02 327	13 63,144	12,56,960	13,89,000	23 24,340
Unadjusted Expenditure	—6,19,050	8,08,319	—1,52,782	...	...	...
TOTAL R	30,31,33,282	20,41,48,426	20,84,03,972	20,15,75,000	20,51,01,000	20,36,18,000
Non-effective Services— R	1,02,58,085	1,05,14,653	1,04,85,675	1,04,81,000	1,06,12,000	1,06,40,000
TOTAL INDIA R	21,33,91,367	21,46,63,079	21,88,89,647	21,20,56,000	21,57,13,000	21,42,58,000
Equivalent in sterling £	14,226,091	14,310,872	14,592,643	14,137,100	14,380,900	14 283 900
ENGLAND—	£	£	£		£	£
Effective Services—						
Payments to War Office for British Forces	916,057	935,055	914,000	935,000	941,800	947,000
Furlough allowances, etc., of British Forces	140,412	135,116	135,990	143,000	140,000	139,000
Consolidated clothing allowance of British soldiers	...	17,194	48,460	15,200	32,200	15,200
Furlough allowances Indian Service	354,527	372,824	363,216	37[illegible],000	360,000	360,000
Indian Troop Service	274,685	236,927	273,947	231,500	266,700	307,900
Other heads	39,860	132,846	61,824	104,000	125,000	105,500
Clothing Stores	104,754	83,705	58,676	54,800	54[illegible],00	87,800
Ordnance and Miscellaneous Stores	249,225	268,084	340,189	382,500	53[illegible],500	539,300
Medical Store	73,627	86,247	104,612	89,800	96,000	90,400
Supply and Transport Stores	40,548	24,755	51,005	40,500	54,000	48,400
Operations in Persian Gulf (Stores)	18,287	9,896	50,620	17,000	48,300	50,000
Stores taken to India with Troops	...	33,579	36,825	33,300	35,300	32,500
TOTAL £	2,211,982	2,336,229	2,439,364	2,416,600	2,692,500	2,723,000
Non-effective Services—						
Payments to War Office for British Forces	859,597	879,875	898,331	925,000	919,300	935,000
Pensions, Indian Service	1,434,100	1,432,801	1,431,735	1,430,000	1,437,000	1,435,000
Other heads	169,411	172,003	174,473	176,000	179,000	179,000
TOTAL £	2,463,108	2,484,679	2,504,539	2,531,000	2,535,300	2,549,000
TOTAL ENGLAND £	4,675,090	4,820,908	4,943,903	4,947,600	5,227,800	5,272,000
TOTAL EXPENDITURE £	18,901,181	19,131,780	19,536,546	19,084,700	19,608,700	19,555,900
RECEIPTS.						
India R	R 84,75,854	R 95,94,755	R 1,04,91,423	R 1,19,42,000	R 1,28,78,000	R 1,22,71,000
Equivalent in sterling £	£ 565 057	£ 639 650	£ 699 428	£ 796,100	£ 825 200	£ 818,100
England £	412,671	418,999	449,938	358,800	360,300	368,600
TOTAL RECEIPTS £	977,728	1,058,649	1,179,366	1,154,900	1,185,500	1,186,700
TOTAL NET EXPENDITURE £	17,923,453	18,073,131	18,357,180	17,929,800	18,423,200	18,369,200

Revised, 1912-13, compared with Budget, 1912-13. Expenditure—India.

203. The Revised estimate of expenditure in India anticipates an excess of R36·57 lakhs (£243,800) over the Budget provision of R21,20·56 lakhs (£14 137.100). Of this excess the food charges account for R26·10 lakhs (£174 000) in consequence mainly of a rise in prices which was not anticipated when the Budget was framed; the provision in the latter was based on the probable actuals for 1911-12, so that the causes operating this year to keep up prices appear to be abnormal. The demand for military work parties in connection with the survey operations on the North-Eastern Frontier involves an extra outlay of R8·09 lakhs (£53,900); while another unexpected call arose from the National Health Insurance Act, under which we had to meet a liability in respect of the British soldiers serving in India amounting to R2·24 lakhs (£14,900). But for these three items which aggregate R36·43 lakhs (£242,800), and represent unforeseen liabilities which came into operation after the 1st April 1912, the Budget anticipations of March last would have proved in the main fairly accurate.

Various other causes have contributed to additional expenditure on the one hand and savings on the other, which, however, practically balance each other. More prominent among the former may be mentioned a grant of R3·00 lakhs (£20,000) towards laying in a reserve of fodder and of R4·00 lakhs (£26,700) to purchase about 1.200 mules from the Argentine with the object of reducing the excessive number of aged mules now serving. The assumption by the State of the liability of housing silladar cavalry units, in return for their present contributions, has necessitated the writing off to expenditure of the outstanding cavalry lines loan of R3 74 lakhs (£24,900); and additional assistance to the extent of R1·25 lakhs (£8,300) has been given for the urgent repairs needed in the lines of Indian troops. Then the expenditure on account of the Army in India Committee is expected to reach R1 50 lakhs (£10,000); railway charges are likely to be higher than anticipated by R2·07 lakhs (£13,800); and some additional maxim gun and ordnance mules are being purchased at a cost of R1·30 lakhs (£8,700). It has also been deemed expedient to procure certain local stores this year in reduction of next year's requirements, and to make an advance payment towards the annual grant-in-aid to cantonments; these anticipatory charges amount to R7 88 lakhs (£52,500).

On the other hand, savings have accrued under several heads, notably in the pay and allowances of British troops to the extent of R6·37 lakhs (£42,500); a lapse of R4 88 lakhs (£32,500) occurred in the grant for the purchase of remounts; and our Ordnance expenditure shows a decrease of R7 61 lakhs (£50,700), partially due to larger recoveries amounting to R3·92 lakhs (£26,100) from the Home Government for stores and equipment taken by the additional troops sent to China at the close of 1911-12. The Indian estimates also have been relieved by R0 93 lakh (£6,200) owing to the employment of certain troops in Somaliland at the expense of the Protectorate, and a saving of R4 85 lakhs (£32,300) is anticipated in India in connection with the Arms Traffic Operations.

Home.

204. The total Army expenditure at Home shows an increase of £280,200, of which about £155,000 relates to the additional rifles found necessary and demanded during the year. The outlay at Home in connection with the Arms Traffic Operations has exceeded the Secretary of State's budget anticipations by £47,200, but, as stated above, there has been a saving of £32,300 in India. The outlay on the trooping service is expected to be £35,200 in excess of the budget provision owing to the larger number of voyages found necessary. Our ordinary store expenditure also rose by £59,300, partly on account of arrear charges. On the other hand, a saving is expected in the furlough allowances of officers of the Indian Service, and in connection with the re-armament of artillery and the provision of panoramic sights.

Receipts.

India and Home

205. The Revised estimate of receipts anticipates an improvement of £30,600 which practically all occurs in India, and is mainly due to larger payment issues and sales of ordnance stores, and to the credit now taken for the equipment, stores and animals sent to China with Indian units in 1911-12. On the other hand, the expected realizations by the disposal of surplus clothing stores have not been fully attained, and dairy produce sales have been less than was anticipated.

206. The net expenditure of the year is expected to be £493,400 more than the Budget provision, and may broadly be attributed to causes not in evidence when the estimate was framed in March last. *Net Expenditure.*

207. The total provision for special or "Schedule" expenditure in the Budget of 1912-13 was ₹42·70 lakhs (£284,700), and it is anticipated that the actuals will amount to ₹58·74 lakhs (£391,600). An excess of £116,400 is expected in England, mainly due to an order having been placed for a large number of additional rifles on account of which about £155,000 will be paid this year, the difference being met from lapses due to non-compliance with the store demands put forward, notably in connection with the rearmament of the artillery now in hand and the supply of panoramic sights. This latter cause has retarded expenditure in India, where a lapse of £9,500 has occurred. *Special Expenditure.*

208. The more important measures and the outlay on each during the current year are stated below approximately, in the absence of full details of the Home expenditure on individual measures:—

	Expenditure in 1912-13.	
	Lakhs. ₹	Equivalent in £
(I) Purchase of short rifles	33·64	224,300
(II) Rearmament of artillery	19·73	131,500
(III) New pattern bayonet for British troops .	1·46	9,700
(IV) Panoramic sights for mobile artillery	1·11	7,400
(V) Increase of training grant . . .	1·00	6,700

209. The Indian portion of the Army estimate for 1913-14 falls below the Revised estimate by ₹14·55 lakhs (£97,000). If we exclude the provision of ₹11·00 lakhs (£73,300) in 1913-14 for the acquisition of land for the new cantonment at Delhi, the decrease would be ₹25·55 lakhs (£170,300), and this may broadly be attributed to a variation of ₹26 10 lakhs (£174,000) in food charges as it has not been considered necessary to go beyond the Budget provision of the current year. Among other causes of decrease may be mentioned the following measures which have been specially sanctioned during the current year and do not find a place in next year's Budget—₹3 00 lakhs (£20.000) incurred on a fodder reserve, ₹4·00 lakhs (£26,700) allotted for purchase of additional mules in the Argentine, remission of the loans outstanding against the Indian Cavalry line funds, ₹3·74 lakhs (£24,900), and the additional grant of ₹1·25 lakhs (£8,300) for the repair of the lines of Indian troops and followers. Anticipatory purchases of Ordnance and Supply and Transport stores and part payment in advance of the grant-in-aid to cantonments account for a decrease of ₹15 76 lakhs (£105,100), while the mustering out of the cavalry squadrons of the 42nd Deoli and 43rd Erinpura regiments produces an economy of ₹1·17 lakhs (£7,800) in pay charges. On the other hand, the pay and allowances of the army are ₹9 42 lakhs (£62,800) higher, the augmentation and regrading of the dairy and grass farms personnel and their larger operations account for an increase of ₹3 46 lakhs (£23,100); while for the purchase of remounts and ordnance mules an additional outlay of ₹6 19 lakhs (£41,300) is required. Railway charges show an expansion of ₹5 08 lakhs (£33,900) as the reliefs during the current year were on a low scale, and the provision for ordnance requirements is higher by ₹9 29 lakhs (£61,900) apart from the advance purchases referred to above. *Budget, 1913-14, compared with Revised, 1912-13. Expenditure—India.*

210. The Home estimates for 1913-14 are £44,200 more than the present year's Revised estimate. Our store demands are expected to cost £22,600 more, due to an increase in ordinary requirements owing mainly to depletion of stocks which more than counterbalances the decrease in Schedule expenditure, *e.g.*, on short rifles. For the Indian Troop Service £41,200 more will be required, owing to the expected employment of hired transports on a larger scale and a smaller use of Royal Indian Marine vessels. An unusual payment of £17,000 for clothing allowance is not repeated next year, and the outlay in connection with the Arms Traffic Operations is £14,200 lower. *Home.*

211. The anticipated receipts in 1913-14 amount to ₹1,78 00 lakhs (£1,186,700), *i.e.*, an increase of ₹0·18 lakh (£1,200) over the Revised. *Receipts. India and Home.*

Net Expenditure.

212. The net Army expenditure for 1913-14 is less than the Revised, 1912-13, by £54,000. Under India there is a decrease of £89,900, and under Home an increase of £35,900.

Buaget, 1913-14, compared with Budget, 1912-13. India and Home.

213. The gross estimated expenditure for 1913-14 is R29,33 38 lakhs (£19,555,900), or R70 68 lakhs (£471,200) above the Budget figure of the current year. Of this amount R22 02 lakhs (£146,800) occur in the Indian, and R48 66 lakhs (£324,400) in the Home estimates. The receipts show an improvement of R4 76 lakhs (£31,800), and the net Army expenditure for 1913-14 thus exceeds the original estimate for 1912-13 by R65 92 lakhs (£439,400).

Special Expenditure.

214. The expenditure on Schedule measures incorporated in the Budget of 1913-14 is R64 00 lakhs (£426,700), as compared with R58·74 lakhs (£391,600) in the Revised, and R42 70 lakhs (£284,700) in the Budget 1912-13. The following are the more important measures proposed to be undertaken :—

	Further expenditure proposed in 1913-14 (India and Home).	
	Lakhs.	Equivalent in
	R	£
(a) Measures in progress.		
(1) Rearmament of artillery	21·76	145,100
(2) Purchase of short rifles	17·85	119,000
(3) Panoramic sights for mobile artillery	1·40	9,300
(4) Light entrenching tools	1·17	7,800
(5) Web equipment	0·97	6,500
(6) Extension of dairies	0·80	5,300
(7) Wireless telegraph equipment	0·65	4,300
(8) New pattern sword	0·60	4,000
(b) New Measures.		
(9) Formation of a School of Aeronautics	2·33	15,500
(10) Acquisition of land for new cantonment at Delhi	11·00	73,300
(11) Increase of pay of silladar grasscutters	1·18	7,900
(12) Increase of training grant	1·00	6,700
(13) Increase of pay of regimental followers	0·84	5,600
(14) Increase of Army Bearer Corps	0·80	5,300
(15) Increase and regrading of Farms personnel	0·60	4,000

XXXIII AND 46A.—MARINE.

		Accounts, 1909-10.	Accounts, 1910-11.	Accounts, 1911-12.	1912-13. Budget.	1912-13. Revised.	1913-14, Budget.
EXPENDITURE.							
India	R	37,79,010	35,64,182	37,61,939	34,35,000	37,92,000	34,01,000
Equivalent in sterling	£	251,934	237,612	250,796	229,000	252,800	226,700
England	£	209,223	208,255	199,932	218,100	224,000	251,600
Total	£	461,157	445,867	450,728	447,100	476,800	478,300
RECEIPTS—							
India	R	12,51,892	13,76,810	12,73,487	13,66,000	13,17,000	14,74,000
Equivalent in sterling	£	83,460	91,787	84,900	91,100	87,800	98,300
England	£	...	...	...	...	...	...
Total	£	83,460	91,787	84,900	91,100	87,800	98,300
NET EXPENDITURE	£	377,697	354,080	365,828	356,000	389,000	380,000

215. The total expenditure (India and Home) exceeds the Budget by £29,700, and there is a fall in the receipts to the extent of £3,300; the net expenditure is thus £33,000 more than the Budget. *Revised, 1912-13, compared with Budget, 1912-13. Expenditure, Receipts and Net Expenditure. India and Home.*

The increase in Indian expenditure is due chiefly to the advance purchase of local stores, to the chartering of a private steamer to convey a mule corps from Madras to Burma owing to our Royal Indian Marine transports being fully employed elsewhere, and to coal for the subsidised vessels for which no provision was made in the Home store estimates having been supplied on payment from the stock maintained for the Arms Traffic Operations. Larger demands of stores account for the higher Home expenditure. The decrease in receipts in India is largely due to smaller recoveries from the Imperial Government for the hire of Royal Indian Marine vessels.

216. The Budget included £750 for the provision of a ferry barge at Calcutta. This was ultimately found unnecessary, but an expenditure of £3,400 had to be incurred in providing additional life boats for the Royal Indian Marine transports. *Special Expenditure.*

217. The Budget for 1913-14, as compared with the Revised of 1912-13, shows an increase of £1,500 in expenditure, and an increase of £10,500 in receipts, or a net decrease of £9,000. Omitting the transactions in connection with the purchase of advance stores and the chartering of a private steamer to convey a mule corps to Burma, referred to above, the Budget for next year would be R3 60 lakhs (£24,000) more than the probable actuals this year. Of this increase, £27,600 occurs at home mainly for higher store demands owing to depletion of stocks, while the Indian provision is lower by £3,600. Larger receipts are anticipated for services rendered and stores supplied by the dockyards. *Budget, 1913-14, compared with Revised, 1912-13. India and Home.*

No special expenditure is proposed in 1913-14. *Special Expenditure.*

XXXIV and 47.—MILITARY WORKS.

		Accounts, 1909-10.	Accounts, 1910-11.	Accounts, 1911-12.	1912-13. Budget.	1912-13. Revised.	1913-14. Budget.
ORDINARY.							
EXPENDITURE.							
India	R	95,09,513	99,66,267	96,54,399	95,23,000	95,75,000	97,24,000
Equivalent in sterling .	£	633,968	664,418	643,627	634,900	638,300	648,300
England . . .	£	19,041	17,379	22,120	11,100	21,700	14,300
TOTAL	£	653,009	681,797	665,747	646,000	660,000	662,600
RECEIPTS.							
India	R	11,36,600	10,58,888	11,81,866	10,80,000	11,00,000	11,40,000
Equivalent in sterling .	£	75,773	70,593	78,791	72,000	73,300	76,000
England . . .	£	...	...	...	...	...	...
TOTAL	£	75,773	70,593	78,791	72,000	73,300	76,000
Net expenditure, Ordinary	£	577,236	611,204	586,956	574,000	586,700	586,600
SPECIAL DEMANDS.							
EXPENDITURE.							
India	R	28,47,665	31,09,187	34,31,705	31,35,000	31,84,000	42,15,000
Equivalent in sterling .	£	189,844	207,279	228,780	209,000	212,300	281,000
England . . .	£	15,489	11,361	15,130	5,500	8,300	5,500
TOTAL	£	205,333	218,640	243,910	214,500	220,600	286,500
TOTAL NET EXPENDITURE	£	782,569	829,844	830,866	788,500	807,300	873,100

Revised, 1912-13, compared with Budget, 1912-13, India and Home.

218. Under this head the Ordinary expenditure, and the expenditure on Military Works Schedule (Special Demands) measures, are separately compiled in the ordinary course of accounting. Under Ordinary expenditure the Revised anticipates an excess of £14,000, including an additional grant of R2 00 lakhs (£13,300) given for urgent repairs.

Ordinary Expenditure.

Receipts.

219. The Military Works receipts represent the rents derived from military quarters, recoveries for water supply and electrical power, the sale-proceeds of stores, and with effect from the 1st October 1912 the rental and repair recoveries from silladar cavalry units whose lines have been taken over by the Military Works Services. The improvement of R·20 lakh (£1,300) is mainly due to the new recoveries from silladar regiments.

Special Demands. Expenditure.

220. Under Special Demands there is an excess of R·91 lakh (£6,100), mainly due to funds becoming available to admit of the acceleration of works in progress. The bulk of the expenditure has been applied to the improvement of the accommodation of Indian troops and followers (£82,700), to buildings in progress at Risalpur, Murree Hills, Kirkee, Takdah, Dacca and Rajkot, to the provision of improved water supply arrangements and of better storage accommodation for cordite at certain places.

Net Expenditure.

221. On Military Works expenditure as a whole, a net increase of R2·82 lakhs (£18,800) is expected.

Budget, 1913-14, compared with Budget, 1912-13. India and Home.

222. The Ordinary Military Works grant for 1913-14 has been fixed at R99·38 lakhs (£662,600), or R2·49 lakhs (£16,600) more than in 1912-13.

Ordinary Expenditure.

The allotment proposed for 1913-14 represents the normal accepted grant for this head, while that of 1912-13 was restricted by a curtailment of works which cannot be repeated.

Receipts.

223. The anticipated increase of R·60 lakh (£4,000) in receipts, allows for the new receipts from silladar cavalry units, and for some expansion in rents and water rates.

Special Demands.

224. The provision made for Special Demands, namely, R42·98 lakhs (£286,500) is R10·80 lakhs (£72,000) more than that of 1912-13. The bulk of this expenditure has been allotted to the prosecution of the works mentioned in paragraph 220 including R12·75 lakhs (£85,000) for the lines of Indian troops under reconstruction, R5·00 lakhs (£33,300) for buildings in the new cantonment at Delhi, R3·47 lakhs (£23,100) for rentable quarters for officers and subordinates, R2·02 lakhs (£13,500) for the improvement of the water supply arrangements at various stations, R1·46 lakhs (£9,700) for the accommodation of British troops in the hills, and R0·62 lakh (£4,100) for aviation buildings.

Expenditure.

The allotments for new works amount to R12·80 lakhs (£85,300).

Net Expenditure.

225. The net expenditure proposed in 1913-14 is thus R12·69 lakhs (£84,600) more than the Budget figure for 1912-13, represented by an increase of R1·89 lakhs (£12,600) under Ordinary, and of R10·80 lakhs (£72,000) under Special Demands.

47A.—SPECIAL DEFENCES.

		Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	1913-1914, Budget.
EXPENDITURE.							
India	R	82,934	38,785	40,570	1,75,000	1,00,000	2,62,000
Equivalent in Sterling	£	5,529	2,586	2,705	11,600	6,600	17,400
England	£	23,075	5,401	2,001	8,600	9,300	7,100
TOTAL		28,604	7,987	4,706	20,200	15,900	24,500

Revised, 1912-13.

226. The Revised shows a decrease due to delay in the supply of stores from England.

Budget, 1913-14.

The allotment in 1913-14 is mainly required for works in progress.

Special Expenditure

The entire charges are treated as Special.

MILITARY SERVICES: SUMMARY.

		Accounts, 1909-1910.	Accounts, 1910-1911.	Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	1913-1914. Budget.
EXPENDITURE—							
India . .	₹	22,96,10,489	23,13,41,500	23,57,78,260	22,83,24,000	23,23,64,000	23,18,60,000
Equivalent in Sterling .	£	15,307,366	15,422,767	15,718,551	15,221,600	15,490,900	15,457,300
England .	£	4,941,918	5,063,304	5,183,086	5,190,900	5,491,100	5,550,500
Total expenditure	£	20,249,284	20,486,071	20,901,637	20,412,500	20,982,000	21,007,800
RECEIPTS—							
India . .	₹	1,08,64,346	1,20,30,473	1,29,46,776	1,43,88,000	1,47,95,000	1,48,85,000
Equivalent in Sterling .	£	724,290	802,031	863,119	959,200	986,300	992,400
England .	£	412,671	418,999	479,938	358,800	360,300	368,600
Total Receipts .	£	1,136,961	1,221,029	1,343,057	1,318,000	1,346,600	1,361,000
NET EXPENDITURE	£	19,112,323	19,265,042	19,558,580	19,094,500	19,635,400	19,646,800

227. Summarising, the total net Military expenditure during the current year is expected to exceed the restricted Budget of 1912-13, by ₹81·14 lakhs (£540,900), and the net provision for the coming year is estimated at ₹82·86 lakhs (£552,300) over the present year's budget. In the main, the increase in the current year may be ascribed to—

Liabilities incurred after Budget, 1912-13, was closed.

	Lakhs of ₹	£
Additional Schedule expenditure, mainly for rifles . . .	16·71	111,400
Purchase of additional mules	4·00	26,700
Reserve of fodder	3·00	20,000
Remission of loans outstanding against Indian Cavalry line funds	3·74	24,900
Contribution under the National Insurance Act . . .	2·24	14,900
Expenditure in connection with the 3 Military work parties on the North-Eastern Frontier	8·09	53,900

Other increases.

Additional outlay on ordinary Home Army stores, partly due to arrears	8·90	59,300
Larger expenditure in connection with the Arms Traffic Operations	2·23	14,900
Increased food charges mainly on account of rise in prices .	26·10	174,000
More ordinary Marine charges in India	3·17	21,100
Addition to the ordinary grant for Military Works . . .	2·10	14,000
	80·28	535,100

The net increase in 1913-14 may be roughly explained as follows:—

	Lakhs of ₹	£
Restoration of the temporary reductions—ordinary and schedule —made in the Budget, 1912-13	26·43	176,200
Acquisition of land and commencement of building operations in connection with the new cantonment at Delhi . . .	16·00	106,700
Additional Home Ordinary store demands	28·00	186,600
Additional Special or Schedule provision	5·36	35,700
Contribution under the National Health Insurance Act . .	3·22	21,500
Increased relief grant	2·44	16,300
	81·45	543,000

CAPITAL EXPENDITURE ON RAILWAYS AND IRRIGATION AND OTHER WORKS NOT CHARGED TO REVENUE.

RAILWAY CONSTRUCTION.

Revised, 1912-13.

228. In the Budget for 1912-13, a sum of ₹13·50 lakhs was allotted for expenditure on Railway Construction for which the Government of India undertake financial responsibility. During the course of the year the grant was raised to ₹15,76·41 lakhs of which ₹76·41 lakhs were specially added to meet the pressing demand for wagons. Special efforts were made during the year to avoid the heavy lapses in grants which have taken place in recent years; and as a result, the bulk of the enhanced grant is expected to be utilised, the Revised estimate standing at ₹15,09·62 lakhs. Of the total lapse of ₹66·79 lakhs, ₹58·11 lakhs are expected in the special grant for wagons.

Budget, 1913-14.

229. For 1913-14 the programme of Capital outlay on Railway Construction has been placed at ₹18 crores, *i.e.*, about ₹3 crores higher than the probable expenditure in the current year. Of this sum about ₹2 crores have been earmarked for the supply of additional wagons.

230. The distribution of the total expenditure on Railway Construction between State and Companies' agency in each of the three years from 1911-12 to 1913-14 is as follows :—

		Accounts, 1911-1912.	1912-1913. Budget.	1912-1913. Revised.	1913-1914, Budget.
1. Outlay on State Lines :					
(*a*) India . . .	₹	7,26,11,790	8,38,01,000	9,66,00,000	11,40,53,000
	£	4,840,786	5,586,700	6,440,000	7,603,500
(*b*) England . .	£	2,140,598	2,250,000	2,502,000	2,509,900
TOTAL .	£	6,981,384	7,836,700	8,942,000	10,113,400
2. Outlay of Companies :					
(*a*) India . . .	₹	39,16,391	27,80,000	14,82,000	9,85,000
	£	261,093	185,400	98,800	65,700
(*b*) England . .	£	671,916	977,900	1,023,300	1,820,900
TOTAL .	£	933,009	1,163,300	1,122,100	1,886,600
Total of Programme . .	£	7,914,393	9,000,000	10,064,100	12,000,000

The following amounts of outlay in England on account of purchased lines worked by Companies are included in the Indian figures under outlay on State lines :—

£2,152,576	3,240,500	3,481,700	4,359,200

The details of the Budget grant for 1913-14 are shown below :—

[Lakhs of rupees.

	Open Line.			Construction of	
	Rolling Stock.	Other items.	Total.	Lines in progress.	New lines.
I.—Outlay on State Railways :—					
1. Assam-Bengal :—					
(i) Open line	32·50	10·30	42·80	...	...
(ii) Bhairab Bazar-Tangi	...	...	...	17·86	...
(iii) Kalaura-Sylhet	...	...	...	7·00	...
2. Bezwada Extension	...	·02	·02	...	...
3. Bombay, Baroda and Central India :—					
(i) Main line	79·51	120·78	200·29	...	...
(ii) Broach-Jambusar	...	...	...	4·00	...
(iii) Bavana-Agra	...	...	...	·51	...
4. Burma Extensions :—					
(i) Open line	...	1·00	1·00	...	...
(ii) Southern Shan States	...	...	...	35·61	...
5. Dhone-Kurnool	...	·05	·05	...	...
6. East Indian :—					
(i) Open line	91· 8	69·26	161·04	...	...
(ii) Bokaro-Ramgarh	...	...	...	4·52	...
(iii) Katwa-Barharwa	...	...	...	9·24	...
7. Eastern Bengal System :—					
(i) Open line	52·14	79·74	131·88	...	...
(ii) Rajabhatkhawa-Dalsingpara	...	...	...	·51	...
(iii) Rangia-Tangla	...	...	...	·60	...
(iv) Singhjani-Fulchari	...	...	...	6·71	...
8. Great Indian Peninsula System :—					
(i) Main line	119·40	169·49	288·89	...	...
(ii) Itarsi-Nagpur, etc.	...	...	...	25·37	...
(iii) Agra-Delhi Chord	...	1·60	1·60	...	...
(iv) Bhopal	...	·22	·22	...	...
(v) Harbour Branch Extension	...	...	...	13·02	...
9. Jodhpur-Hyderabad (British Section)	...	1·25	1·25	...	...
10. Lower Ganges Bridge	...	...	...	88·00	...
11. North Western :—					
(i) Main line	136·76	85·42	222·18	...	...
(ii) Trans-Indus (Kalabagh-Bannu, etc.)	...	...	...	3·43	...
(iii) Sarai Kala-Havelian	...	...	...	3·50	...
(iv) Jakhal-Hissar	...	...	...	2·94	...
(v) Jullundur-Hoshiarpur	...	...	...	1·90	...
12. Oudh and Rohilkhand :—					
(i) Main line (including Allahabad-Rae Bareli-Cawnpore and Dhakia-Sambhal Railways)	42·06	30·41	72·47	...	...
(ii) Cawnpur-Banda and Sumerpur-Belatal Branch	...	...	...	18·00	...
13. South Indian System—					
(i) Main line	46·80	63·10	109·90	...	...
(ii) Coonoor-Ootacamund	2·80	·83	3·63	...	...
(iii) Tinnevelly-Quilon—British Section	...	·05	·05	...	...
(iv) Do. Native State Section	...	·02	·02	...	...
14. Tirhoot and extensions :—					
(i) Open line	4·58	10·29	14·87	...	...
(ii) Samastipore-Roserah	...	...	...	·99	...
(iii) Roserah-Shakarpur-Khagaria	...	...	...	7·04	...
15. Payments to Bengal-Nagpur Railway Company for capital stock respecting which the holders exercised the option of transfer to the Secretary of State for India	...	·71	·71	...	...
16. Reserve	...	13·40	13·40	...	...
	608·33	657·94	1,266·27	250·75	...
II.—Outlay of Indian Railway Companies :—					
1. Bengal-Nagpur	108·30	41·07	149·37	30·57	...
2. Burma	13·95	36·15	50·10	...	...
3. Lucknow-Bareilly	...	—·68	—·68	...	...
4. Madras and Southern Mahratta	29·54	24·08	53·62	...	...
	151·79	100·62	252·41	30·57	...

231. The policy of devoting the greater part of the programme grant to the improvement of open lines has been maintained, and an allotment of R15,18 68 lakhs made for open line works and rolling stock. The heavy demands of open lines have made it impossible to allot any portion of the increased grant to the construction of new lines; but funds to the extent of R2,81·32 lakhs have been provided for lines under construction to permit of a reasonable rate of progress being maintained on them.

232. The figures in the table in paragraph 230 do not include the expenditure on Protective Railways, met from the Famine Insurance grant, nor of Branch line Companies. Including this expenditure, and also some small expenditure from Provincial revenues, the total outlay on Railway Construction in the three years is as follows:—

	Accounts, 1911--1912.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.
	R	R	R
Total as in preceding table . . .	11,87,15,888	15,09,62,000	18,00,00,000
Famine Protective Lines . . .	6,64,132	6,58,000	1,29,000
Branch Lines	8,02,819	10,93,000	24,25,000
Provincial State Line	12,535	61,000	32,000
Grand total in Rupees . . .	12,01,95,374	15,27,74,000	18,25,86,000
Grand total in £ sterling at R15 to the £	8,013,025	10,184,900	12,172,400

CONSTRUCTION OF PRODUCTIVE IRRIGATION WORKS.

233. The figures are—

	Accounts, 1911-12.	Budget, 1912-13.	Revised, 1912-13.	Budget, 1913-14.
Total in Rupees . .	2,30,47,965	2,12,33,000	2,16,27,000	2,20,00,000
Equivalent in Sterling .	1,536,531	1,415,500	1,441,800	1,466,700

234. The Budget grant of ₹212 33 lakhs has been raised to ₹216 27 lakhs in the Revised, owing to satisfactory progress on the Triple Canal scheme in the Punjab and on the Upper Swat River Canal, as well as to the commencement of work on the permanent headworks of the Ganges Canal at Hardwar for which no provision was made in the Budget. The grant in next year's Budget has been fixed at ₹220 lakhs. The following table shows the projects included in the programme of 1912-13 as now revised and in that of 1913-14, together with the amount to be spent on each :— *Revised, 1912-13.* *Budget, 1913-14.*

Name of Project.	Expenditure in 1912-13.	Expenditure in 1913-14
	₹	₹
Canals in operation—		
Mandalay Canal	1,000	3,000
Shwebo „	1,44,000	85,000
Ganges Canal, including Mat and Hathras branches and permanent head works	7,25,000	10,71,000
Lower Ganges Canal	62,000	45,000
Agra Canal	1,15,000	82,000
Eastern Jumna Canal	36,000	21,000
Western „ „	80,000	41,000
Upper Bari Doab „	—2,10,000	7,00,000
Sirhind Canal	1,09,000	1,25,000
Lower Chenab Canal	8,30,000	8,50,000
Lower Jhelum „	—34,000	1,00,000
Indus Inundation Canal	22,000	1,00,000
Godavari Delta	1,22,000	2,16,000
Kistna „	—25,000	6,000
Cauvery „	43,000	70,000
Periyar Project	18,000	31,000
Divi Island Project	8,000	12,000
Jamrao Canal	37,000	80,000
Other Projects	3,55,000	3,23,000
Canals under construction—		
Asola Mendha Tank works	1,58,000	1,26,000
Weinganga Canal	4,42,000	7,99,000
Mahanadi „	4,50,000	10,75,000
Mon Canals	1,38,000	88,000
Ye-u Canal	6,12,000	8,24,000
Twante Canal	19,08,000	14,00,000
Upper Chenab Canal	24,07,000	23,00,000
Upper Jhelum „	57,58,000	52,12,000
Lower Bari Doab Canal	41,00,000	33,00,000
Upper Swat River Canal	31,23,000	32,00,000
Nagavalli River Project	95,000	65,000
Gorai Canal	...	50,000
Reserve	...	11,00,000
Probable savings	...	—15,00,000
TOTAL ₹	2,16,27,000	2,20,00,000
Equivalent in Sterling £	1,441,800	1,466,700

Of the total grant of ₹220 lakhs, about ₹180 lakhs will be allotted to canals under construction and the balance (*viz.*, about ₹40 lakhs) will be devoted to the completion and development of canals in operation. A major portion of the former sum will be again applied to push on work in connection with the

Triple Canal project in the Punjab and with the Upper Swat River Canal in the Frontier Province. Large allotments of R14 lakhs and R10·75 lakhs have also been made respectively for the Twante Canal in Burma and the Mahanadi Canal in the Central Provinces. A considerable portion of the grant for canals in operation will be applied to meet outlay on the headworks of the Ganges Canal.

INITIAL OUTLAY ON THE NEW CAPITAL AT DELHI.

235. In the Budget estimate for the current year provision was made for a grant of R2 crores for the construction of the new Imperial Capital at Delhi. Careful investigations about the proper site of the Capital and other connected questions have, however, delayed the commencement of work on the permanent city and the total capital expenditure in 1912-13 is not likely to exceed R16·78 lakhs made up as follows:—

		(Lakhs of Rupees)	
		India.	England.
(*i*) Cost of preliminary investigations including charges of experts		1·24	1·05
(*ii*) Land acquisition:			
(*a*) Establishment	·52		
(*b*) Purchase money	12·50		
		13·02	...
(*iii*) Value of copper wires and pipes taken over from Temporary Delhi		1·00	...
(*iv*) Charges of the Chief Engineer who has been recently appointed to control work in Permanent Delhi, and his staff		·41	...
(*v*) Malarial survey		·06	...
		15·73	1·05
		16·78	

236. In the Budget estimate of 1913-14 a provision of R2 crores has been made under this head to permit of a vigorous prosecution of work on the permanent city.

WAYS AND MEANS.

HOME TREASURY.

Introductory.

237. The bulk of the payments made in England on account of the Government of India consists of expenditure chargeable to the Indian revenues; and if this represented the only charges, the Ways and Means programme would be a simple arrangement, as the whole of the expenditure would ordinarily be met by remittance of funds from India. The capital outlay on the construction of railways and irrigation works, however, necessitates heavy borrowing; and the major portion of the money required is usually raised in England, either direct or through the agency of Companies. A further complication is introduced by the practice under which all payments made in England to Railway Companies working purchased lines, for purchase of stores and other capital purposes, as well as all moneys raised by them and paid into the Home Treasury, are brought to account under the appropriate heads in this country and are treated in the Home accounts and estimates as remittances to or from India respectively. The transactions connected with the Gold Standard Reserve, and with the replacement of one particular form or item of direct or indirect debt by another, also largely swell the receipts and charges of the Home Treasury without affecting the general Ways and Means programme.

238. The following are the details of the transactions appearing in the Budget and Revised estimates of the Home Treasury for 1912-13 and in the Budget estimate of 1913-14.

	Budget, 1912-1913.	Revised, 1912-1913.	Budget, 1913-1914.
RECEIPTS.	£	£	£
Capital raised and deposited by Railway Companies—			
For Capital outlay	1,812,100	499,000	3,002,000
*For discharge of debentures	1,570,400	160,000	1,415,000
Deposits and Advances—			
Gold Standard Reserve	11,245,700	11,363,900	6,178,100
*Paper Currency Reserve	...	1,600,000	...
Other items	1,000	8,600	24,600
Remittance Account between England and India—			
Railway transactions	5,300	24,600	504,800
Gold received from India	...	327,900	450,000
Other transactions	1,008,000	1,549,800	1,390,000
Total Receipts, excluding Council Bills and Loans	15,642,500	15,533,800	12,964,500
DISBURSEMENTS.			
Excess of Expenditure over Revenue	19,298,400	19,437,900	19,579,400
Railway and Irrigation Capital not charged to Revenue—			
Outlay on State Railways, Irrigation Works and Delhi	2,278,800	2,542,300	2,603,100
Outlay of Railway Companies	980,000	1,027,300	1,822,900
*Payments to Railway Companies for discharge of debentures	1,570,400	160,000	1,415,000
Permanent Debt discharged	1,977,000	1,977,000	1,781,200
Temporary Debt discharged	4,500,000	4,500,000	...
Deposits and Advances—			
Gold Standard Reserve : Investments	11,266,400	11,432,600	6,164,500
*Paper Currency Reserve	...	1,600,000	...
Other transactions	1,000	180,100	25,000
Remittance Account between England and India—			
Railway transactions	3,288,000	3,550,300	4,914,900
Purchase of Silver	...	7,060,000	...
Other transactions	601,400	811,500	575,400
Total Disbursements	45,762,000	54,279,600	38,881,400
NET DISBURSEMENTS	30,119,500	38,745,800	25,916,900
Financed as follows—			
Council Bills	15,500,000	25,660,000	21,650,000
Permanent Debt incurred	3,000,000	3,000,000	...
Reduction of cash balance	11,619,500	10,085,800	4,266,900
Total	30,119,500	38,745,800	25,916,900
Opening balance	19,395,900	19,463,700	9,377,900
Closing Balance	7,776,400	9,377,900	5,111,000

* The heads marked with an asterisk appear on both the receipt and payment sides. As the receipt and disbursement under each of them are generally equal, they do not ordinarily affect the Ways and Means of the year to any material extent.

Revised, 1912-13.

General.

239. The net disbursements in 1912-13 are now taken at £38,745,800 or £8,626,300 more than the Budget. A sum of £7,060,000 has been spent on the purchase of silver for the coinage of rupees in India, for which no provision was made in the Budget estimate. The deposits of capital by railway companies are less by £1,313,100 owing to a much smaller issue of debentures of the Madras and Southern Mahratta Railway Company than was contemplated in the Budget. There is an aggregate excess of £573,100 in the capital expenditure on railways and irrigation works, inclusive of outlay on companies and payments to companies working purchased railways. There is also an increase of £139,500 in the net expenditure chargeable to revenue; and of £210,100 in the miscellaneous payments which are treated in the Home Treasury accounts as remittances to India, caused chiefly by a larger demand for stores on the part of Provincial Governments, supply of national health insurance stamps to British soldiers serving in India, and higher remittances by soldiers for deposit in the Post Office Savings Bank. The increase in the net disbursement from these various sources amount to £9,295,800; but a portion of it is counterbalanced by a total improvement of £669,500 under the other items shown in the table on the preceding page, which arises mainly from a special receipt of £327,900 in gold from India and a rise of £303,700 in the net receipts in connection with postal and money order transactions exchanged between England and India.

240. The briskness of the export trade has again led to a heavy demand for remittance of funds to India; and the total drawings of the Secretary of State in the current year are now expected to amount to £25,660,000, the whole of which will be used to meet the disbursements of the Home Treasury, against a Budget estimate of £15,500,000. The additional funds thus obtained will more than suffice to meet the increase in the net disbursements mentioned in the preceding paragraph; and the balances of the Home Treasury will be drawn on to the extent of £10,085,800 only instead of £11,619,500 as provided in the Budget. A remittance of £1,927,900 in gold was also received during the year from India; but of this amount £1,600,000 was deposited at the Bank of England on account of the Paper Currency Reserve, and only £327,900 was used for general purposes.

1912-13. Capital raised and deposited by Railway Companies.

241. The details of the transactions in respect of capital raised and deposited by Railway Companies are as follows :—

RECEIPTS.

	Budget, 1912-13.	Revised, 1912-13.
(*a*) *Subscribed Capital*—	£	£
(*i*) To discharge Debentures—		
Bengal-Nagpur Railway	1,160,400	...
Madras and Southern Mahratta Railway	410,000	160,000
(*ii*) To meet Capital outlay—		
Madras and Southern Mahratta Railway	1,810,000	495,000
	3,380,400	655,000
(*b*) *Miscellaneous*—		
Transfer fees, etc.	2,100	4,000
TOTAL RECEIPTS	3,382,500	659,000

ISSUES	£	£
For discharge of Debentures	1,570,400	160,000
For Capital outlay, *i.e.*, Stores, Establishment Charges, etc.	980,000	1,027,300
TOTAL	2,550,400	1,187,300

The Budget estimate provided for the replacement by fresh capital of £1,570,400 debentures of the Bengal Nagpur and Southern Mahratta Railway Companies and for the raising of £2 millions of new capital by the latter Company, the net proceeds of which were expected to amount to £1,810,000. The Madras and Southern Mahratta Railway Company has actually issued only £500,000 of new debentures which have produced £495,000; and it expects to replace only £160,000 of the debentures maturing during the year. £250,000 of the debentures of this Company, as well as the whole of the debentures of the Bengal Nagpur Railway Company which fell in during 1912-13, have been renewed.

242. The following are the details of the Railway remittance transactions. As already explained, they occur almost wholly in connection with the capital account of the purchased lines worked by companies:— *1912-13. Railway remittances.*

	Budget, 1912-13.	Revised, 1912-13.
	£	£
RECEIPTS.		
Miscellaneous—		
Transfer fees, etc.	5,300	24,600
ISSUES.		
Advances for purchase of stores—		
East Indian Railway	875,200	890,500
South Indian Railway	519,000	562,700
Bengal and North-Western Railway	88,000	145,000
Great Indian Peninsula Railway	1,169,100	1,264,800
Bombay, Baroda and Central India Railway (including Rajputana-Malwa Railway)	594,500	643,300
TOTAL	3,245,800	3,506,300
Miscellaneous payments—		
East Indian Railway: Rental paid to South Behar Railway Company	30,000	30,000
Rohilkund and Kumaon Railway: Interest on Debenture Stock allocated to State works	7,200	9,000
South Indian Railway: Special payment to be adjusted against the Company's share of surplus profits	5,000	5,000
TOTAL ISSUES	3,288,000	3,550,300

243. In accordance with the Budget programme, an issue of £3 million India 3½ per cent. stock was made in April 1912, the price of issue being fixed at 93; and the whole of the outstanding India bills amounting to £4½ millions, were discharged together with £500,000 India bonds and £1,477,600 debentures of the Indian Midland and Madras Railway companies. *Loans, 1912-13.*

244. The Budget estimates provide for a net disbursement of £25,916,900. The decrease of £4,202,600 over the net disbursement in the current year's Budget is the net result of the following variations:— *1913-14. The Budget Estimate.*

	£
Worse.	
Net expenditure on Revenue account, *more*	281,000
Outlay on State Railways, *more*	259,900
Net payments to Railway Companies, *more*	780,400
Outlay on Irrigation Works, *more*	59,400
New Capital at Delhi—Miscellaneous Payments, *more*	5,000
Better.	
Receipt of light-weight gold coins from India	450,000
Deposits, Advances and Miscellaneous Remittance transactions, net	44,900
Permanent Debt discharged, *less*	196,400
Temporary Debt discharged, *less*	4,500,000

245. The details working up to the increase of £780,400 in the net payments to Railway Companies shown in the preceding paragraph are given below :—

	Budget, 1912-1913.	Budget, 1913-1914.
	£	£
RECEIPTS—		
Capital deposits by Railway Companies—		
For capital outlay	1,812,100	3,002,000
For discharge of debentures	1,570,400	1,415,000
Remittance account between England and India—		
Railway transactions	5,300	504,800
Total receipts	3,387,800	4,921,800
DISBURSEMENTS—		
Railway and Irrigation capital not charged to Revenue—		
Outlay of Railway Companies	980,000	1,822,900
Payment for discharge of debentures	1,570,400	1,415,000
Remittance account between England an India—		
Railway Transactions	3,288,000	4,914,900
Total disbursements	5,838,400	8,152,800
NET DISBURSEMENTS	2,450,600	3,231,000
Increase	780,400	

246. The Budget Estimate for 1913-14 provides for the receipt from India of £450,000 light-weight sovereigns and half sovereigns which have been withdrawn from circulation. The improvement under Deposit, Advance and Miscellaneous Remittance transactions is mainly due to an increased provision of £270,000 for receipts on account of postal and money order transactions, following the large improvement which has taken place under this item in the current year.

247. Provision has been made in the estimates for the discharge of the following liabilities which mature during the year :—

	£
Indian Midland Railway Debentures	1,111,200
Madras Railway Debentures	170,000
India Bonds	500,000
	1,781,200

248. Of the net disbursement of £25,916,900, it is proposed to meet £21,650,000 by Council Bills and the balance of £4,266,900 by drawing on the cash balances of the Home Treasury which are estimated to stand on the 31st March 1914 at £5,111,000, inclusive of £1,018,600 held as cash at short notice on behalf of the Gold Standard Reserve. It is not contemplated to raise any sterling loan in the ensuing year.

249. The following are the details of the transactions of the Gold Standard Reserve in England :— *1912-13 and 1913-14. Gold Standard Reserve.*

	1912-13.		1913-14.
RECEIPTS.	Budget. £	Revised. £	Budget. £
(*a*) Dividend on investments, Discount on Treasury Bills and Interest on Loans at short notice	539,000	517,600	563,600
(*b*) Withdrawals from Paper Currency Reserve	...	1,200,000	...
(*c*) Exchequer Bonds, British Treasury Bills and Colonial Government Securities, etc., paid off	10,706,700	9,646,300	5,614,500
Total . .	11,245,700	11,363,900	6,178,100
CHARGES.			
Investments made	11,266,400	9,812,600	5,614,500
Deposit of Gold at the Bank of England .	...	1,620,000	550,000
	11,266,400	11,432,600	6,164,500

250. The following statement shows the transactions and balances of the fund in the two years in England and India taken together :—

	Budget, 1912-13. £	Revised, 1912-13. £	Budget, 1913-14. £
OPENING BALANCE—			
(*a*) Invested (cost price) . . .	16,744,300	16,748,100	16,914,400
(*b*) Uninvested—			
(1) Gold set aside in the Bank of England . . .	...	...	1,620,000
(2) Rupees held in India . .	1,934,300	1,934,300	4,000,000
(3) Cash in the Home Treasury placed at short notice . .	1,075,300	1,073,700	1,005,000
	19,753,900	19,756,100	23,539,400
CLOSING BALANCE—			
(*a*) Invested (cost price) . . .	17,304,000	16,914,400	16,914,400
(*b*) Uninvested—			
(1) Gold set aside in the Bank of England	...	1,620,000	2,170,000
(2) Rupees held in India . .	1,934,300	4,000,000	4,000,000
(3) Cash in the Home Treasury placed at short notice .	1,054,600	1,005,000	1,018,600
	20,292,900	23,539,400	24,103,000
Difference between opening and closing balance representing net income in the year and made up as follows :—			
(1) Interest, etc., on investments in England (*vide* paragraph 249)	539,000	517,600	563,600
(2) Profit on new rupee coinage in India	...	3,265,700	...
TOTAL .	539,000	3,783,300	563,600

251. The coinage of rupees from the silver which has been purchased for £7,060,000 is expected to yield a net profit of £3,265,700 which will be available for transfer to the Gold Standard Reserve. Of this sum £2,065,700 has been utilised to raise the rupees in the Indian branch of the Reserve to the prescribed amount of £4 millions. The balance, *viz.*, £1,200,000, will be remitted to England through the Paper Currency Department—the amount being paid to it in India against an opposite payment by it to the Gold Standard Reserve in England. The earmarking of gold on account of the Gold Standard Reserve at the Bank of England is in pursuance of the Secretary of State's decision to hold £5 millions of the Reserve in liquid gold in England.

252. The Secretary of State has also agreed that the limit which the sterling assets of the Gold Standard Reserve in England must attain before any portion of the profits on rupee coinage can be diverted for other purposes should be fixed at £25,000,000, the value of the securities held being taken at the market price instead of cost price. For this purpose, a half-yearly valuation of the securities is made on 30th September and 31st March and on the basis of the valuation made on 30th September 1912—the closing balances of gold in England for the Revised and Budget stand as follows:—

	Revised, 1912-13.	Budget, 1913-14.
	£	£
1. Market price of securities on 30th September . .	9,596,400	9,596,400
2. Cost price of securities purchased between 1st October and 31st March	6,354,800	6,354,800
3. Gold in the Bank of England	1,620,000	2,170,000
4. Cash in the Home Treasury	1,005,000	1,018,600
	18,576,200	19,139,800

1912-13 and 1913-14. Summary of debt transactions and Capital Account of Railway Companies.

The above gives a reduction of £963,200 as compared with the cost price given in paragraph 250.

253. The following is a summary of the figures relating to Council Bills and the Sterling Debt of Government and of Railway Companies (omitting transfer fees, etc.) included in the estimates for 1912-13 and 1913-14:—

	Budget, 1912-1913.	Revised, 1912-1913.	Budget, 1913-1914.
RECEIPTS.	£	£	£
Council Bills . . .	15,500,000	25,660,000	21,650,000
Permanent Debt incurred (India Stock) . .	3,000,000	3,000,000	...
Receipts on account of the Subscribed Capital of Railway Companies . .	3,380,400	6,55,000	4,415,000
Receipts on account of the Debenture Capital of Railway Companies working purhcased Railways .	...	...	500,000
OUTGOINGS.			
Permanent Debt discharged .	1,997,600	1,977,600	1,781,200
Temporary Debt discharged .	4,500,000	4,500,000	...
Discharge of Railway Companies' Debentures (inclusive of debentures of companies working purchased lines) .	1,570,400	160,000	1,915,000

254. The programme herein announced of the probable drawings on India and of the transactions in connection with the Government Sterling Debt and the borrowings of Railway Companies, represents the present intentions of the Secretary of State. But in view of the varying conditions of Indian finance and of the London money market, no assurance can be given that this programme will be adhered to either in amount or in form. The Secretary of State reserves to himself the right to vary the programme to any extent that may be considered necessary during the course of the year. The estimate of Council drawings is for the amount necessary to provide for the Secretary of State's requirements, but additional Bills will as usual be sold if needed to meet the demands of trade.

INDIA.

255. The following is a summary of the Estimates of Ways and Means in India during 1912-13 and 1913-14 :—

	Budget Estimate, 1912-1913.		Revised Estimate, 1912-1913.		Budget Estimate, 1913-1914.	
	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.
Receipts.	₹	£	₹	£	₹	£
1. Excess of Revenue over Expenditure charged to Revenue	31,16,51,000	20,776,700	34,24,74,000	22,831,600	31,35,85 000	20,905,700
2. Capital raised and deposited by Railway Companies	23,34,000	155,600	10,59,000	70,600	24,13 000	160,900
3. Unfunded Debt incurred, mostly Savings Bank deposits (net)	1,97,81,000	1,318,700	2,61,20,000	1,741,400	2,25,21,000	1,501,400
4. Appropriation for Reduction or Avoidance of Debt	54,98,000	366,500	52,18,000	347,900	68,01,000	453,400
5. Other Deposits and Remittances (net)	4,14,000	27,600	1,10,66,000	737,700	13,60,000	90,700
6. Remittance account between England and India—						
(*a*) Silver remitted from England	...	...	10,59,00,000	7,060,000	...	...
(*b*) Transactions of Railway Companies (net) excluding debenture capital	4,92,41,000	3,282,700	5,28,85,000	3,525,700	6,61,51,000	4,410,100
Total Receipts excluding loans	38,89,19,000	25,927,800	54,47,22,000	36,314,900	41,28,31,000	27,522,200
Disbursements.						
7. Capital Expenditure not charged to Revenue—						
(*a*) State Railways and Irrigation Works	10,46,02,000	6,973,400	11,77,27,000	7,848,500	13,47,30,000	8,982,000
(*b*) Initial expenditure on new Capital at Delhi	2,00,00,000	1,333,300	15,73,000	104,900	1,99,25,000	1,328,300
(*c*) Out ay by Companies (net)	51,24,000	341,600	25,75,000	171,700	34,10,000	227,400
8. Permanent Debt discharged (net)	13,69,000	91,300	12,81,000	85,400	13,09,000	87,300
*9. Provincial surpluses (—) or deficits (+)	2,33,66,000	1,557,700	—6,11,09,000	—4,073,900	4,36,89,000	2,912 600
10. Imperial and Provincial Loans (net)	59,79,000	398,500	36,000	2,400	15,86,000	105,700
11. Remittance account between Eng and and India—						
(*a*) Remittance of gold to England	...	...	49,18,000	327,900	67.50,000	4.50,000
(*b*) Other transactions (net)	60 48.000	403.200	106.37 000	709,100	1,16.41.000	776,100
12. Council Bills†	23,65,35,000	15,769,000	38,81,20,000	25,874,700	32,47,50,000	21,650,000
Total Disbursements	40,30,23,000	26,868,000	46,57,58,000	31,050,700	54,77,90,000	36,519,400
Net Disbursements	1,41,04,000	940,200	—7,89,64,000	—5,264,200	13,49,59,000	8,997,200
Financed as follows:						
Permanent Debt incurred	3,00,00,000	2,000,000	3,00,00,000	2,000,000	3,00,00,000	2,000,000
Reduction of (+) or addition to (—) Treasury Balances	—1,58,96,000	—1,059,800	—10.89.64,000	—7,264,200	10,49,59,000	6,997,200
Total	1,41,04,000	940,200	—7,89,64,000	—5,264 200	13,49,59,000	8,997,200
Opening Balance	17.71.24,000	11.808,200	18.41.95,000	12.279.700	29 31,59.000	19.543.900
Closing Balance	19,30,20,000	12,868,000	29,31,59,000	19,543,900	18,82,00,000	12,546,700

* Head 9 represents expenditure defrayed by reduction of Provincial balances.

† The figures shown under head 12 differ from those given in the Home Treasury Ways and Means statement, as Bills drawn by the Secretary of State towards the end of one year are paid in India in the next. The figures of the present statement represent payments in India.

Main features of Budget Estimates.

256. In the Budget estimate of 1912-13, the cash balance in Indian Treasuries on the 1st April 1912, was taken at ₹17,71 lakhs. It was estimated (1) that the net Imperial revenue in India would amount to ₹31,17 lakhs (2) that the net deposits in Savings Banks and Provident Institutions would increase during the year by ₹1,98 lakhs, (3) that a sum of ₹55 lakhs would be available from the Famine Insurance grant for the avoidance of debt, and (4) that the remittance transactions of Railway Companies would result in a net credit in India of ₹4,92 lakhs. On the other hand, provision was made: (1) for a net expenditure of ₹2,34 lakhs from Provincial balances, (2) for capital expenditure

1912-13.

in India on railways (inclusive of outlay by companies) and canals to the extent of R10,97 lakhs, (3) for an outlay of R2,00 lakhs on the construction of the new Capital at Delhi, (4) for the discharge of R14 lakhs of the permanent debt, (5) for net payments of R60 lakhs and R33 lakhs, respectively, in connection with Imperial and Provincial loans and miscellaneous deposit transactions, and (6) for the payment of Council Bills to the extent of R23,65 lakhs. The total payments mentioned above aggregate R40,03 lakhs against a total receipt of R38,62 lakhs; and as the net disbursement of R1,41 lakhs would have reduced the cash balances at the end of the year to the inconveniently low figure of R16.30 lakhs, it was proposed to raise a loan of R3 crores to meet the deficit and to form a reserve for future capital expenditure on Imperial Delhi.

1912-13. Main features of Revised Estimates.

257. The results according to the Revised estimates show considerable variations from this forecast. The year opened with a balance which was R71 lakhs higher than the Budget forecast mainly owing to a larger betterment in the revenue account in 1911-12 (*vide* paragraph 6), which was partly counterbalanced by a reduction in the net credits in connection with miscellaneous deposit and remittance transactions; and the full amount of the contemplated rupee loan of R3 crores was raised in July. The large increase in the opening balance, the very considerable improvement which has taken place in the revenue returns of the current year, as well as in Savings Banks deposits; and the heavy lapse in the grant for Imperial Delhi will, however, enable the Government of India to incur higher outlay on railway construction, to remit to the Secretary of State in aid of the Home Treasury £3 millions more than was provided in the Budget, and still to close the year with a balance of R29,32 lakhs. Taking India as a whole, there will be a very considerable improvement of R11,53 lakhs over the Budget in the combined revenue account of the Imperial and Provincial Governments in the current year. Two-thirds of this increase occurs in the yield of the wholly Imperial heads—Opium and Railways; but as a result of the large assignments from Imperial to Provincial described in paragraphs 20 to 24, R3,08 lakhs of the gain will appear in the Imperial section of the accounts and R8,45 lakhs as an addition to the Provincial balances. Silver of the value of R10,59 lakhs has been received from the Secretary of State for the coinage of new rupees. As the purchase in England was made from the balances of the Home Treasury, an equivalent sum was paid by the Currency Department to the Treasury in India on the transfer of the silver to the former for conversion into rupees. The increase in the net deposits in Savings Banks will be R63½ lakhs more than was allowed for; while increases of R36½ lakhs and R47½ lakhs respectively are also expected in the net credits from remittances of railway companies and miscellaneous deposit and remittance transactions. Further, there is a large saving of R1,84 lakhs in the capital grant for Imperial Delhi, and the net payments on account of *takavi* and other loans are expected to fall short of the Budget provision by R59½ lakhs. The total improvements from all these sources, including the increase in the opening balance of the year amounts to R26,74 lakhs. But this will be partly counterbalanced by (1) a reduction of R3 lakhs in the amount available from the Famine Insurance grant for the avoidance of debt; (2) larger capital expenditure to the extent of R1,05 lakhs on railways (inclusive of outlay by Companies) and on canals arising mainly from the expansion of the Railway programme; (3) a remittance of R49 lakhs in gold to England; and (4) an increase of R15,16 lakhs in the payment of Council bills, of which R10,59 lakhs are intended to meet the expenditure incurred by the Secretary of State out of the balances of the Home Treasury on the purchase of silver. The closing balance on 31st March 1913 will thus be R10,01 lakhs more than the Budget estimate of R19,30 lakhs.

1912-13 Rupee loan.

258. It was announced last year, subject to the usual reservations, that a new 3½ per cent. rupee loan of R3 crores would be raised in 1912-13. Tenders for this loan were opened on the 19th July, and the result was as follows:—

Total amount tendered.	Amount accepted.	Average rate of accepted tenders.	Minimum rate accepted.
R	*R*	*R a. p.*	*R a. p.*
9,29,13,500	3,00,00,000	96 2 0·07	96 2 0

259. In 1913-14 the net Imperial revenue in India is estimated at ₹31,36 lakhs; Savings Banks and similar deposits are expected to yield a net receipt of ₹2,25 lakhs; a sum of ₹68 lakhs will be available from the Famine Insurance grant for the avoidance of debt; and the remittance and capital transactions of Railway Companies are likely to result in a net credit in India of ₹6,61 lakhs. On the other hand, provision has been made: (1) for an expenditure of ₹4,37 lakhs from Provincial balances, (2) for payments of ₹13 lakhs, ₹16 lakhs and ₹113 lakhs respectively in connection with the discharge of permanent debt, Imperial and Provincial loans, and miscellaneous deposit and remittance transactions; (3) for capital expenditure of ₹13,47 lakhs in India on railways and canals and of ₹1,99 lakhs on Imperial Delhi; (4) for a remittance of ₹67½ lakhs in gold coins to England; and (5) for payment of Council Bills to the extent of ₹32,47½ lakhs. The total amount of funds required by the Government of India next year therefore aggregates ₹54,40 lakhs, while the receipts at its disposal amount to only ₹40,90 lakhs. *1913-14. Main features of Budget Estimates.*

260. Of the net disbursement of about ₹13½ crores it will be possible to meet about ₹10½ crores from the heavy cash balance which will be held in India at the end of the current year; and to provide for the shortage it is proposed to raise a new rupee loan of ₹3 crores in 1913-14. With a loan of this amount it will be possible to close the year, according to the present estimate, with a balance of about ₹18,82 lakhs. The announcement now made regarding the rupee loan is in accordance with present intentions; but full liberty is reserved, as usual, to vary the programme now announced to any extent that may be considered desirable. *1913-14. New Rupee loan.*

261. The following table gives details of the transactions of Savings Banks and Provident Funds during a series of years, and the estimated transactions for 1912-13 and 1913-14. *1912-13 and 1913-14.*

Post Office Savings Banks, etc.

Year.	Net additions to deposits, cash.	Interest.	Total addition.
	₹	₹	₹
1902-03	52,40,000	39,00,000	91,40,000
1903-04	66,99,000	42,15,000	1,09,14,000
1904-05	78,94,000	45,87,000	1,24,81,000
1905-06	31,49,000	46,80,000	78,29,000
1906-07	50,94,000	52,25,000	1,03,19,000
1907-08	14,86,000	53,50,000	68,36,000
1908-09	—26,22,000	54,63,000	28,41,000
1909-10	51,82,000	57,20,000	1,09,02,000
1910-11	1,05,06,000	60,82,000	1,65,88,000
1911-12	1,95,69,000	67,79,000	2,63,48,000
1912-13 (Revised)	1,75,57,000	75,97,000	2,51,54,000
1913-14 (Budget)	1,31,09,000	83,27,000	2,14,36,000

262. The growth in the net deposits in the Post Office Savings Banks in 1912-13 has again been phenomenally large, owing to the generally prosperous conditions of the year and also to the enhanced maximum limit now admissible for cash deposits; and the Revised estimate for the year is taken at ₹127 lakhs, exclusive of interest, against a Budget of 60 lakhs. For next year, the estimate of deposits in these banks is taken at a moderate figure of ₹80 lakhs, while the deposits in the various Provident Funds for Government servants are expected to grow by ₹51 lakhs.

R. W. GILLAN.

20th March 1913.

Appendix.

PRO FORMÂ ACCOUNT OF COST OF CHANGE OF IMPERIAL CAPITAL.

(Referred to in paragraph 3 of the memorandum.)

I.—Non-recurring.

Expenditure.	Receipts.
(1) Delhi project	(*a*) Value or recoveries on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move.
(2) Cantonment	
(3) Temporary Delhi	(*b*) Non-recurring receipts on account of Temporary Works.
(4) Special Departmental expenditure . .	(*c*) Any sums adjusted in favour of Imperial revenues from Punjab provincial funds in connection with the move.
(5) Non-recurring assignments to Punjab revenues (if any), made by way of compensation for increased expenditure thrown on them by removal from Delhi.	(*d*) Recoveries on account of buildings vacated (if any) in the old cantonments of Delhi on completion of the new cantonment.
(6) Cost of moving Imperial offices from Calcutta or elsewhere to Delhi.	
(7) Special non-recurring monetary concessions to establishments of the Government of India and attached offices, such as lump allowances, etc.	

II.—Recurring.

Expenditure.	Receipts.
(1) *Cost of Delhi Administration . .	(*a*) *Revenues of Delhi province.
(2) Recurring assignments (if any) to Punjab provincial revenues.	(*b*) Any recurring assignments from Punjab provincial revenues to Imperial resulting from the move.
(3) Increase (if any) in maintenance of Viceregal buildings, as compared with cost prior to the move.	(*c*) Savings in Viceregal buildings maintenance (if any).
	(*d*) Savings under Calcutta House allowances, hill journey allowances, and travelling allowances.
	(*e*) Savings in contingencies on account of moving Secretariat and attached offices to and from Delhi as compared with move between Simla and Calcutta.

* These heads will be subdivided into the appropriate service heads, giving an abstract of the Delhi Province expenditure and revenue respectively.

APPENDIX.

APPEN

COMMERCIAL AND

TABLE I.—MIS

	1904-05.	1905-06.	1906-07.
Recorded Revenue compared with recorded expenditure excluding Capital Expenditure on Railways and Irrigation works not charged against Revevue—			
Surplus	£ 3,456,066	£ 2,091,854	£ 1,589,340
Deficit	...	...	...
Capital Expenditure on Railways and Irrigation Works not charged against Revenue*	£ 6,258,195	£ 9,966,393	£ 8,712,668
Ditto charge involved in Redemption of Liabilities	...	£ 12,980,960	...
Initial Expenditure on new Capital at Delhi	...	...	...
Net Public Debt incurred	£ 3,413,480	£ 16,752,546	£ 4,166,102
Net Public Debt incurred, including Capital transactions with Guaranteed Railways and other Companies	£ 4,488,109	£ 18,567,395	£ 2,144,709
Value of commodities exported, excluding Gold and Silver ₹	1,57,72,20,000	1,61,83,50,000	1,77,03,00,000
Ditto imported, ditto ditto ₹	1,04,41,30,000	1,12,11,40,000	1,17,24,20,000
Excess of Exports over Imports, excluding Gold and Silver ₹	53,30,90,000	49,72,10,000	59,78,80,000
Net Imports of Gold ₹	9,70,60,000	45,80,000	14,85,60,000
Ditto of Silver ₹	13,26,10,000	15,72,30,000	24,00,60,000
TOTAL NET IMPORTS OF GOLD AND SILVER ₹	22,96,70,000	16,18,10,000	38,86,20,000
Excess of Exports over Imports including Gold and Silver ₹	30,34,20,000	33,54,00,000	20,92,60,000
Grand Total value of Imports and Exports of all kinds ₹	3,18,18,40,000	3,21,07,00,000	3,44,57,00,000
Secretary of State's Bills sold (Rupees) ₹	§36,53,57,364	§46,62,43,256 (a)	49,09,99,935
Sterling Equivalent received £	§24,425,558	§31,166,973 (a)	32,907,196
Silver coined at the Indian Mints ₹	11,37,04,366	20,00,14,452	26,08,57,405
Maximum price in pence of an oz. troy, standard Silver in London	28 9/16 (Dec.)	30 1/16 (Feb.)	33 1/8 (Nov.)
Minimum ditto ditto	24 1/2 (Apl.)	25 7/16 (Apl.)	29 5/8 (Apl. & June)
Average Exchange upon Secretary of State's Bills sold per rupee	1s. 4·045d.	1s. 4·042d.	1s. 4·083d.
Fixed rate of Exchange for the Adjustment of Transactions between the Indian and Imperial Treasuries	1s. 4d.	1s. 4d.	1s. 4d.
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	8 (from Mar. 9 to 22).	9 (from Feb. 1 to Mar. 14).	9 (from Dec. 6 to Mar. 31).
Minimum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	3 (June 23 to Oct. 5).	3 (July 20 to Aug. 16).	3 (from July 19 to Aug. 8).
Maximum rate of discount at the Bank of England	4 (Apl. 5 to 13)	4 (Sept. 28 to Mar.)	6 (Oct. 19 to Jan. 16).
Minimum ditto ditto	2½ (from Mar. 9).	2½ (Apl. 1 to Sept. 7).	3½ (Apl. 5 to May 2, June 21 to Sept. 12).
Maximum Government balances at the three Presidency Banks ₹	3,84,32,000 (Sept.)	3,82,91,000 (May)	3,68,28,000 (Aug.)
Minimum ditto ditto ₹	3,00,53,000 (Jan.)	2,84,08,000 (Nov.)	2,95,11,000 (Oct.)
Maximum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed)	99—9 (Aug. 16, Mar. 2 & 3).	100—4 (Aug. 4.)	99—11 (Apl. 1 & 2).
Minimum ditto ditto	96—11 (Nov. 11)	97—8 (Jan. 9 & 10).	94—13 (Dec. 17 & 18).
Maximum price in Calcutta of 3 per cent Rupee Securities	87—4 (from Mar. 3).	88—12 (Aug. 10 to 16).	87—2 (Apl. 1 to 19 & Apl. 24 to May 14).
Minimum ditto ditto	85—4 (Apl. 5 to May 3).	87—0 (Dec. 21 and Mar. 19 to 22).	82—8 (Feb. 20 to 26 & Mar. 28).
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts ₹	17,02,89,000 (Apl.)	17,01,09,000 (May)	16,92,17,000 (Dec.)
Minimum ditto ditto ₹	16,50,97,000 (Feb.)	16,21,03,000 (Dec.)	16,30,80,000 (July)
Maximum price in London of 3½ per cent (Rupee Securities in Gold	66 5/8 (Feb. & Mar.)	66 1/16 (Aug.)	66 3/8 (Apl.)
Minimum ditto ditto	65 (July)	65 5/8 (June)	64 3/16 (Dec.)
Maximum price in London of India 3½ per cent Stock	109 (Feb.)	107 5/8 (Apl.)	106 (Apl.)
Minimum ditto ditto	103 (Apl.)	103 1/8 (Oct.)	99 1/2 (Mar.)
Maximum price in London of India 3 per cent Stock	99 5/8 (Feb.)	98 1/16 (Apl.)	97 1/4 (Apl.)
Minimum ditto ditto	93 1/8 (Aug.)	94 7/8 (Oct.)	88 1/2 (Mar.)
Maximum price in London of India 2½ per cent Stock	85 1/4 (Feb.)	84 1/4 (Apl.)	82 (Apl.)
Minimum ditto ditto	79 1/4 (Apl.)	79 5/8 (Oct.)	75 (Mar.)
Maximum Government Paper Currency outstanding	42,51,61,000 (July)	44,65,66,000 (Mar.)	47,30,20,000 (July)
Minimum ditto ditto ₹	36,11,06,000 (Apl.)	39,63,12,000 (Nov.)	42,89,24,000 (May)
Number of Post Office Savings Banks	7,855	8,071	8,049
Number of accounts in Post Office Savings Banks	1,058,813	1,115,758	1,120,220
Amount deposited in Savings Banks	13,40,70,130	13,99,26,260	14,76,69,789
Average of each deposit	126·62	130·83	133·99
Net addition to deposits	1,07,33,414	58,56,130	77,43,529

*Excludes capital charge involved in redemption of liabilities.

§ Include remittances of the Gold Standard Reserve.

DIX

FINANCIAL STATISTICS.

CELLANEOUS.

1907-1908.	1908-1909.	1909-1910.	1910-1911.	1911-1912.	1912-1913. Revised.	1913-1914. Budget.
£ 300,615	...	£ 606,641	£ 3,936,287	£ 3,940,334	£ 3,393,700	£ 1,326,300
...	£ 3,737,710	...	...	...	...	...
£ 11,412,767	£ 10,471,657	£ 7,373,966	£ 10,119,093	£ 8,517,915	£ 10,383,800	£ 11,580,100
£ 2,144,800	...	...	£ 5,904,100	...	...	...
...	...	...	...	£ 4,992	£ 111,900	£ 1,333,300
£ 10,725,963	£ 5,633,956	£ 10,408,347	£ 8,896,956	£ 1,823,173	£ 2,937,000	£ 131,500
£ 13,311,920	£ 10,370,196	£ 10,747,575	£ 12,654,438	£ 854,140	£ 2,307,600	£ 1,244,100
1,77,48,50,000	1,53,14,30,000	1,87,96,80,000	2,09,96,20,000	2,27,98,80,000	2,25,07,70,000(*b*)	
1,36,64,80,000	1,28,78,70,000	1,22,65,10,000	1,33,70,60,000	1,44,05,50,000	1,52,13,00,000(*b*)	
40,83,70,000	24,35,60,000	65,31,70,000	76,25,60,000	83,93,30,000	72,94,70,000(*b*)	
17,36,80,000	4,35,60,000	21,67,90,000	23,97,90,000	37,76,00,000	31,98,50,000(*b*)	
19,46,80,000	12,06,80,000	9,44,50,000	8,63,00,000	5,33,70,000	16,18,60,000(*b*)	
36,83,60,000	16,42,40,000	31,12,40,000	32,60,90,000	43,09,70,000	48,17,10,000(*b*)	
4,00,10,000	7,93,20,000	34,19,30,000	43,64,70,000	40,83,60,000	24,77,60,000(*b*)	
3,61,86,60,000	3,10,99,40,000	3,54,54,20,000	3,90,53,00,000	4,35,88,80,000	4,44,55,10,000(*b*)	
§24,30,65,151	§20,96,37,188	§40,54,12,663(*a*)	40,02,50,114(*a*)	40,37,70,748(*a*)	38,34,80,000	32,47,50,000
§16,232,061	§13,915,426	§27,096,586(*a*)	§26,783,303(*a*)	27,058,549(*a*)	25,660,000	21,650,000
18,11,56,540	2,85,35,914	2,17,56,166	2,19,25,112	2,80,74,320	19,19,00,000	
$32\frac{3}{16}$ (Aug.)	$25\frac{1}{2}$ (Apl.)	$24\frac{13}{16}$ (May)	$26\frac{1}{4}$ (October)	$27\frac{7}{8}$ (February)	$29\frac{3}{4}$ (December)	
24 (Dec.)	22 (Dec.)	$23\frac{1}{16}$ (October)	$23\frac{11}{16}$ (February)	$23\frac{15}{16}$ (July)	$26\frac{3}{16}$ (March)	
1*s.* 4·029*d.*	1*s.* 3·964*d.*	1*s.* 4·041*d.*	1*s.* 4·061 *d.*	1*s.* 4·084*d.*	1*s.* 4·000*d.*	1*s.* 4*d.*
1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*
9 (from Apl. 1 to 17 and Jan. 16 to Mar. 4.)	8 (from Jan. 28 to March 17).	7 (from 1 to 28 Apl. & 3 to 31 March).	8 (from 22nd Feb. 1911 to 29th Mar. 1911)	8 (from 26th Jan. to 6th Mar.)	8 (from 9th Jan. to 10th Feb. 1913.)	
3 (from July 25 to Sept. 11).	3 (from July 16 to Sep. 2).	3 (from 1 July to 29 Sep.)	3 (from 1st July to 21st Sept.)	3 (from 3rd Aug. to 31st Aug. 1911.)	3 (from 11th July to 11th Sept. 1912.)	
7 (Nov. 7 to Dec. 31).	3 (Apl. 1 to May 27 & Jan. 14 to Mar.)	5 (October 21st to Decr. 8th)	5 (Oct. 20th to Nov. 30th.)	4 (from 21st Sept. 1911 to 7th Feb. 1912.)	5 (from 17th Oct. 1912 to Mar. 1913.)	
$3\frac{1}{2}$ (Mar.)	$2\frac{1}{2}$ (May 27 to Jun. 13)	$2\frac{1}{2}$ (Apl. 1st to October 6th).	3 (June 9th to Sept. 28th and Mar. 9th to Mar. 31st.)	3 (from 1st Apl. to 20th Sept. 1911.)	3 (from 9th May to 28th Aug. 1912).	
4,10,83,000 (Mar.)	4,19,82,000 (July)	4,58,77,000 (July).	4,10,08,000 (Sept.)	4,48,68,000 (Nov.)	5,45,68,000 (July)	
2,86,56,000 (Apl.)	3,04,47,000 (Jan.)	3,07,61,000 (Apl.)	3,53,92,000 (June)	3,68,74,000 (Feb.)	4,00,35,000 (Apl.)	
98—6 (May 4 to 7)	96—15 (Apl. 7)	95—5 (24 Aug.)	96—10 (2nd Aug.)	96—14 (9th Dec.)	97—2 (3rd to 6th May.)	
95—8 (Jan. 14 and 15).	93—2 (Mar. 16)	92—12 (4 to 7 Dec.)	93—6 (7th Nov.)	94—12 (3rd & 4th Oct.)	94—12 (3rd & 6th Jan.)	
82—8 (Apl. 1 to May 14).	81—0 (July 18 to Mar. 31).	82—0 (31 Aug. to 11 Nov.)	82—0 (12th July to 19th Aug. and 15th Feb. to 31st Mar.)	82—0 (1st to 23rd Apl., 5th May to 24th Sept., 27th Sept., to 9th Oct., 20th Nov. to 31st Mar.)	83—0 (7th to 14th Oct.)	
79—0 (Feb. to Mar. 31).	79—0 (Apl. 1 to May 3).	79—12 (27 Nov.)	80—4 (5th Dec.)	81—0 (25th & 26th Sept.).	82—0 (1st to 24th Apl. & 24th Oct. to March.)	
16,44,30,000(Apl.)	15,29,69,000 (Apl.)	16,06,73,000 (Oct.)	15,07,31,000 (Apl.)	12,68,10,000 (Apl.)	11,65,47,000 (Apl.)	
15,23,22,000(Mar.)	14,43,66,000(Mar.)	14,81,15,000 (Apl.)	12,78,50,000 Mar.)	11,73,04,000 (Mar.)	11,15,13,000 July)	
$65\frac{3}{4}$ (Apl. & May)	$63\frac{13}{16}$ (Apl.)	$63\frac{5}{16}$ (Oct.)	$64\frac{9}{16}$ (Feb.)	$64\frac{5}{8}$ (Dec.)	$64\frac{3}{4}$ (May)	
$62\frac{3}{4}$ (Nov.)	$61\frac{7}{8}$ (Mar.)	$61\frac{7}{8}$ (Apl.)	$62\frac{11}{16}$ (Oct.)	$63\frac{1}{2}$ (Oct.)	$63\frac{3}{8}$ (Feb. & Mar.)	
103 (Feb.)	$102\frac{1}{2}$ (June)	$100\frac{3}{8}$ (May)	$97\frac{5}{8}$ (Feb.)	$96\frac{3}{4}$ (Apl.)	$94\frac{11}{16}$ (Apl.)	
$96\frac{3}{4}$ (Aug.)	$95\frac{7}{8}$ (Mar.)	95 (March)	$92\frac{3}{8}$ (Sept.)	91 (Sept.)	$89\frac{3}{4}$ (Oct.)	
93 (Feb.)	$92\frac{7}{8}$ (Apl.)	$90\frac{1}{2}$ (Apl.)	$84\frac{3}{8}$ (Feb.)	$84\frac{3}{16}$ (Apl.)	$80\frac{3}{4}$ Apl.)	
$84\frac{1}{2}$ (Sep.)	$84\frac{1}{2}$ (Mar.)	$81\frac{5}{8}$ March)	$79\frac{1}{2}$ (Sept.)	$78\frac{5}{8}$ (Sept.)	$76\frac{3}{8}$ Oct.)	
$79\frac{1}{2}$ (Feb.)	$78\frac{3}{4}$ (Apl.)	76 (Apl.)	$70\frac{7}{8}$ (Feb.)	$70\frac{3}{8}$ (Apl.)	$67\frac{1}{2}$ (Apl.)	
$70\frac{1}{2}$ (Aug.)	70 (Jan.)	69 (March)	66 (Sept.)	$65\frac{1}{2}$ (Sept.)	$63\frac{1}{2}$ (Oct.)	
52,74,34,000(Sept.)	48,09,87,000 (July	54,40,84,00)(Mar.)	59,16,45,000(July)	61,36,25,000 Mar.)	68,32,77,000 Sept.)	
41,81,65,000(Jan.)	42,07,01,000 (Dec.)	43,64,99,000 (Apl.)	49,67,01,000 (Dec.)	54,68,58,000 (Apl.)	58,33,57,000 (Apl.)	
8,328	8,501	8,767	8,920	9,502		
1,262,763	1,318,032	1,378,916	1,430,451	1,500,834		
15,18,14,343	15,23,41,514	15,86,71,786	16,91,88,224	18,85,85,130		
12·22	115·53	115·07	118·28	125·92		
41,44,554	5,27,171	63,3),272	1,05,16,438	1,97,9 ,215		

(*a*) Include remittance of the Currency Department.
(*b*) Figures for 11 month (April to February.)

Appendix—*continued.*

Commercial and Financial Statistics.

Table II.—Capital Expenditure on State Railways in 1911-1912, and Estimated Expenditure on such works in 1912-1913 and 1913-1914, and to end of 1913-1914.

Railways.	To end of 1910-1911.	Accounts, 1911-1912.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.	To end of 1913-1914.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
Open Lines.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Agra-Delhi Chord	1,35,57,370	7,68,866	1,83,000	1,60,000	1,46,69,236	1,46,69,236	...	
Ahmedabad-Dholka (earthwork, etc.)	59,900	...	...	...	59,900	59,900	...	
Akbarpur-Tanda	40,305	2,85,570	1,33,000	...	4,58,875	4,58,875	...	
Allahabad-Rae-Bareli-Cawnpore	65,69,906	33,90,011	21,18,000	...	1,20,77,917	1,20,77,917	...	
Assam-Bengal (Construction)	8,67,71,239	26,78,044	26,70,000	63,01,000	9,84,20,283	9,84,20,283	...	
Ditto (Land)	42,87,534	2,00,443	3,25,000	4,65,000	52,77,977	52,77,977	...	
Baran-Kotah	45,65,880	30,917	51,000	...	46,47,797	46,47,797	...	
Bezwada Extension	12,18,789	2,052	12,000	2,000	12,34,841	12,34,841	...	
Bhopal	37,65,384	97,713	1,09,000	22,000	39,94,097	39,94,097	...	
Bombay, Baroda and Central India	44,72,49,518	53,66,342	1,13,34,000	2,00,29,000	48,39,78,860	48,39,78,860	...	
Burma	9,74,12,324	...	...	...	9,74,12,324	9,74,12,324	...	
Burma, Railway Extensions	2,14,66,981	1,40,664	4,50,000	1,00,000	2,21,57,645	2,21,57,645	...	
Coonoor-Ootacamund	36,38,320	1,33,618	98,000	3,63,000	42,32,938	42,32,938	...	
Dhakia-Sambhal	35,816	5,34,263	1,10,000	...	6,80,079	6,80,079	...	
Dhone-Kurnool	9,55,395	29,820	28,000	5,000	10,18,215	10,18,215	...	
East Indian	45,81,42,236	1,09,37,924	1,41,40,000	1,70,28,000	50,02,48,160	50,02,48,160	...	
Eastern Bengal	24,09,53,749	93,50,163	1,23,55,000	1,31,88,000	27,58,46,912	27,58,46,912	...	
East Coast—Northern Section	3,09,29,430	...	...	...	3,09,29,430	3,09,29,430	...	
Frontier Railway Reserve Material	43,90,320	3,115	*—2,000*	...	43,91,435	43,91,435	...	
Gajraula-Chandpur	5,91,250	1,19,910	16,000	...	7,27,160	7,27,160	...	
Carried over	1,42,66,01,646	3,40,69,435	4,41,30,000	5,76,63,000	1,56,24,64,081	1,56,24,64,081	...	

Appendix—*continued.*

Railways.	To end of 1910-1911.	Accounts, 1911-1912.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.	To end of 1913-1914.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward .	1,42,66,01,646	3,40,69,435	4,41,30,000	5,76,63,000	1,56,24,64,081	1,56,24,64,081	...	
Open Lines.								
Great Indian Peninsula System . .	31,96,90,499	1,23,75,334	2,16,28,000	3,01,91,000	38,38,84,833	38,38,84,833	...	
Jodhpur-Hyderabad (British Section) .	42,42,544	*—19,115*	89,000	1,25,000	44,37,429	44,37,429		
Jorhat	9,67,126	12,535	61,000	32,000	10,72,661	10,72,661	...	
Lucknow-Bareilly	51,21,139	...	...	...	51,21,139	51,21,139	...	
Madras and Southern Mahratta Railway (Madras Section)	15,30,02,943	*—75,293*	...	...	15,29,27,650	15,29,27,650	...	
North-Western	68,93,39,033	2,21,46,156	2,37,98,000	2,22,18,000	75,75,01,189	75,75,01,189	...	
Oudh and Rohilkhand	24,64,44,222	27,90,334	30,30,000	72,47,000	25,95,11,556	25,95,11,556	...	
Petroleum Operations, Baluchistan . .	1,19,187	...	...	...	1,19,187	1,19,187	...	
Rohilkund and Kumaon Railway (Kachhaghat bridge)	76,416	...	...	...	76,416	76,416	...	
Smastipur-Roserah	90,807	5,62,733	1,00,000	99,000	8,52,540	8,52,540	...	
Shorkot Road Chichoki . . .	73,98,582	5,12,027	1,57,000	...	80,67,609	80,67,609	...	
South Indian	14,16,49,777	33,16,200	74,99,000	1,09,90,000	16,34,54,977	16,34,54,977	...	
Tinnevelly Quilon (British Section) .	44,27,069	962	*—7,000*	5,000	44,26,031	44,26,031	...	
Ditto (Native State Section) .	1,18,46,843	*—22,743*	*—6,000*	2,000	1,18,20,100	1,18,20,100	...	
Tirhoot and Extensions . . .	7,48,85,735	6,57,528	16,60,000	14,87,000	7,86,90,263	7,86,90,263	...	
Chemical Laboratory, Kalimati . .	...	19,486	75,000	...	94,486	94,486	...	
„ „ „ Alipur . . .	...	...	51,000	...	51,000	51,000		
Warora Colliery	11,10,032	...	...	...	11,10,032	11,10,032	...	
Total Open Lines .	3,08,70,13,600	7,63,45,579	10,22,65,000	13,00,59,000	3,39,56,83,179	3,39,56,83,179	...	

Appendix—*continued.*

Railways.	To end of 1910-1911.	Accounts. 1911-1912.	Revised Estimate. 1912-1913.	Budget Estimate. 1913-1914.	To end of 1913-1914.	Sanctioned Outlay.	Balance remaining unspent.	Remarks.
	R.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Total Open Lines brought forward .	3,08,70,13,600	7,63,45,579	10,22,65,000	13,00,59,000	3,39,56,83,179	3,39,56,83,179	...	
Lines under construction.							...	
Dharmapuri-Hosur Extension . .	7,46,868	6,64,132	6,58,000	1,29,000	21,98,000	23,29,856	1,31,856	
Itarsi-Nagpur and branch to Pench Valley Coalfields	79,13,103	43,23,782	48,00,000	25,37,000	1,95,73,885	3,35,88,822	1,40,14,937	
Lower Ganges Bridge Project . .	1,06,77,083	89,58,932	88,45,000	88,00,000	3,72,81,015	4,76,68,863	1,03,87,848	
Rajabhatkhawa-Dalsingpara . .	...	3,07,571	3,25,000	51,000	6,83,571	7,58,119	74,548	
Roserah-Shakarpur-Khagari . . .	...	5,16,756	6,98,000	7,04,000	19,18,756	25,04,382	5,85,626	
Rangiya-Tangla	5,33,565	3,11,861	3,50,000	60,000	12,55,426	12,11,096	—*44,330*	
Broach-Jambusar	410	2,90,672	4,25,000	4,00,000	11,16,082	13,97,858	2,81,776	
Bayana-Agra	(*a*) 70,201	17,73,093	17,00,000	51,000	35,94,294	45,93,777	9,99,483	
Cawnpur-Banda with branch from Sumerpur to Belatal	(*b*) 77,608	19,48,642	28,00,000	18,00,000	66,26,250	1,35,09,920	68,83,670	
Jakhal-Hissar**	94,795	17,56,239	7,25,000	2,94,000	28,70,034	29,03,057	33,023	
Sarai Kala-Havelian	1,30,206	13,19,121	26,50,000	3,50,000	44,49,327	41,00,000	—3,49,327	
Singhjani-Fulchari	96,213	4,74,914	8,00,000	6,71,000	20,42,127	15,50,325	—4,91,802	
Jullundur-Hoshiarpur	(*c*) 26,651	7,63,887	10,00,000	1,90,000	19,80,538	19,65,143	—*15,395*	
Laki-Pezu Tank	...	...	3,75,000	...	3,75,000	25,28,432	21,53,432	
Carried over .	2,03,66,703	2,34,09,602	2,61,51,000	1,60,37,000	8,59,64,305	12,06,09,650	3,46,45,345	
Total Open Lines, carried over .	3,08,70,13,600	7,63,45,579	10,22,65,000	13,00,59,000	3,39,56,83,179	3,39,56,83,179	...	

(*a*) Includes Rs. 20,225 on account of survey outlay brought on to the construction account during 1910-11.
Ditto Rs. 28,318
(*c*) Ditto Rs. 12,120
Ditto ditto.

Appendix—*continued.*

Railways.	To end of 1910-1911.	Accounts, 1911-1912.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.	To end of 1913-1914.	Sanctioned Outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Total Open Lines, brought forward .	3,08,70,13,600	7,63,45,579	10,22,65,000	13,00,59,000	3,39,56,83,179	3,39,56,83,179	...	
Brought forward .	2,03,66,703	2,34,09,602	2,61,51,000	1,60,37,000	8,59,64,305	12,06,09,650	3,46,45,345	
Second section of the Bokharo-Ramgarh B. N. & E. I. Railways joint Line .	...	...	6,50,000	4,52,000	11,02,000	13,98,470	2,96,470	
Southern Shan States	31,56,533	27,64,073	39,67,000	35,61,000	1,34,48,636	1,98,43,996	63,95,360	
Trans-Indus (Kalabagh Bannu with ferry)	16,52,942	21,40,446	12,50,000	3,43,000	53,86,388	56,20,339	2,33,951	
Total Lines under Construction .	2,51,76,208	2,83,14,121	3,20,18,000	2,03,93,000	10,59,01,329	14,74,72,455	4,15,71,126	
Lines in abeyance or Transferred to Companies, etc.								
Bellary-Kistna	1,65,78,416	...	...	...	1,65,78,416	1,65,78,416	...	
Bilaspur-Etawah	75,132	...	...	...	75,132	75,132	...	
Ludhiana-Ferozepur	28,311	...	...	...	28,311	28,311	...	
Nagpur-Chhattisgarh Depreciation Account	6,57,038	...	...	...	6,57,038	6,57,038	...	
Ranaghat-Bhagwangola . . .	3,02,450	...	...	...	3,02,450	3,02,450	...	
Southern Mahratta (Depreciation on works, etc.)	5,27,071	...	...	...	5,27,071	5,27,071	...	
Umaria Colliery	1,82,672	...	...	...	1,82,672	1,82,672	...	
Vizagapatam-Raipur	2,45,035	...	...	...	2,45,035	2,45,035	...	
Total Lines in abeyance, etc. .	1,85,96,125	...	...	...	1,85,96,125	1,85,96,125	...	
Stores	4,94,385	7,37,726	1,66,000	...	13,98,111	13,98,111	...	
Payments to Bengal Nagpur Railway Company for Capital Stock respecting which the holders exercised the option of transfer to the Secretary of State for India.	...	...	...	71,000	71,000	71,000	...	
Dholpur Durbar Loan	...	...	4,00,000	...	4,00,000	4,00,000	...	
Reserves	...	...	...	13,40,000	13,40,000	13,40,000	...	
GRAND TOTAL, carried over .	3,13,12,80,318	10,53,97,426	13,48,49,000	15,18,63,000	3,52,33,89,744	3,56,49,60,870	4,15,71,126	

APPENDIX—*concluded.*

Railways.	To end of 1910-1911.	Accounts, 1911-1912.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.	To end of 1913-1914.	Sanctioned Outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Grand Total, brought forward	3,13,12,80,318	10,53,97,426	13,48,49,000	15,18,63,000	3,52,33,89,744	3,56,49,60,870	4,15,71,126	
Distributed as under—								
Capital Expenditure on Railways (not charged to Revenue)—								
State Railways—Construction*	2,06,88,64,423	10,47,20,759	13,41,30,000	15,17,02,000	2,45,94,17,182			
Redemption of Liabilities†	90,75,31,543	...	...	...	90,75,31,543			
Famine Relief and Insurance—								
Protective Railways	7,73,37,397	6,64,132	6,58,000	1,29,000	7,87,88,529			
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	5,45,35,712	...	...	...	5,45,35,712			
Construction of Railways (charged to Provincial Revenues).	73,66,372	12,535	61,000	32,000	74,71,907			
Other Expenditure charged against Revenue.	1,56,44,871	...	...	...	1,56,44,871			
Total as above	3,13,12,80,318	10,53,97,426	13,48,49,000	15,18,63,000	3,52,33,89,744	3,56,49,60,870	4,15,71,126	

* Includes debentures raised by Companies—

Bombay, Baroda and Central India Railway	1,43,90,464	...	...	...	1,43,90,464
East Indian Railway	21,88,09,015	...	...	...	21,88,09,015
Great Indian Peninsula Railway	4,87,97,364	...	...	...	4,87,97,364
South Indian Railway	2,27,07,237	...	...	...	2,27,07,237
Total	30,47,04,080	...	...	...	30,47,04,080

†

	Rs.
Bombay, Baroda and Central India Railway	18,72,06,696
East Indian Railway	18,05,98,229
Eastern Bengal Railway	3,10,54,458
Great Indian Peninsula Railway	8,88,35,250
Madras and Southern Mahratta Railway	3,21,72,000
North Western Railway	7,36,74,320
Oudh and Rohilkhand Railway	15,50,40,735
South Indian Railway	7,03,88,355
Indian Midland Railway	8,85,61,500
Total	90,75,31,543

APPENDIX—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Capital Expenditure on Irrigation Major Works in 1911-12, and estimated expenditure on such works in 1912-13 and 1913-14, and to the end of 1913-14.

IRRIGATION WORKS. CAPITAL EXPENDITURE NOT CHARGED TO REVENUE.	Actual outlay to end of 1910-11.	Accounts, 1911-12.	Revised Estimate, 1912-13.	Budget Estimate, 1913-14.	Total actual and estimated outlay to end of 1913-14.	Sanctioned estimate.	Balance of sanctioned estimate remaining to be spent.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Central Provinces.							
Mahanadi Canal	68,470	83,618	4,50,000	10,75,000	16,77,088	96,09,475	79,32,387
Asola Mendha Tank	9,41,217	2,03,049	1,58,000	1,26,000	14,28,266	17,30,346	3,02,080
Burma.							
Mandalay Canal	52,06,452	10,957	1,000	3,000	52,21,409	52,60,754	39,345
Shwebo Canal	55,54,385	98,254	1,44,000	85,000	58,81,639	...	...
Mon Canals	47,73,858	3,75,553	1,38,000	88,000	53,75,411	...	...
Ye-u Canal	10,05,407	2,19,639	6,12,000	8,24,000	26,61,046	48,04,988	21,43,942
Twante Canal	2,95,918	12,96,641	19,08,000	14,00,000	49,00,559	86,86,218	37,85,659
Bengal.							
Midnapur Canal	83,11,696	—3,942	1,000	2,000	83,10,754	...	...
Hijili Tidal Canal	25,50,805	...	...	...	25,50,805	...	...
Bihar.							
Orissa Canals	2,61,94,135	19,832	49,000	58,000	2,63,20,967	...	...
Sone Canal	2,58,20,458	56,495	26,000	32,000	2,59,34,953	...	...
United Provinces.							
Ganges Canal, including Mat and Hathras Branches	3,18,77,342	7,02,372	7,25,000	10,71,000	3,43,75,714	3,49,83,787	6,08,073
Lower Ganges Canal	3,86,86,540	64,382	62,000	45,000	3,88,57,922	...	...
Agra Canal	1,09,95,675	1,07,778	1,15,000	82,000	1,13,00,453	...	...
Eastern Jumna Canal	47,34,911	23,079	36,000	21,000	48,14,990	...	...
Dun Canal*	12,15,319	1,08,277	23,000	15,000	13,61,596	...	...
Bijnor Canal*	2,63,081	14,982	3,000	16,000	2,97,063	...	...
Punjab.							
Western Jumna Canal	1,65,86,401	47,784	80,000	41,000	1,67,55,185	...	...
Upper Bari Doab Canal	2,02,92,903	4,28,772	—2,10,000	7,00,000	2,12,11,675	...	...
Lower ditto	81,76,328	37,46,795	41,00,000	33,00,000	1,93,23,123	2,16,69,940	23,46,817
Sirhind Canal	2,38,75,799	76,655	1,09,000	1,25,000	2,41,86,454	...	...
Upper Chenab Canal	2,30,74,341	34,40,959	24,07,000	23,00,000	3,12,22,300	3,61,31,583	49,09,283
Lower ditto	2,83,46,792	10,99,998	8,30,000	8,50,000	3,11,26,790	...	...
Upper Jhelum Canal	1,82,06,076	69,89,561	57,58,000	52,12,000	3,61,65,637	4,29,40,282	67,74,645
Lower ditto	1,58,03,378	—30,120	—34,000	1,00,000	1,58,39,258	1,83,95,782	25,56,524
Indus Inundation Canals	24,64,292	2,19,582	22,000	1,00,000	28,05,874	35,11,381	7,05,507
North-West Frontier Province.							
Paharpur Inundation Canal	9,15,786	—10,342	...	50,000	9,55,444	...	...
Upper Swat River Canal	53,25,001	30,41,452	31 23,000	32,00,000	1,46,89,453	1,77,64,752	30,75,299
Lower ditto	41,25,948	7,732	6,000	28,000	41,67,680	...	...
Kabul River Canal*	10,32,471	...	37,000	14,000	10,83,471	...	...
Madras.							
Godavari Delta System	1,22,80,122	1,10,417	1,22,000	2,16,000	1,27,28,539	1,27,81,228	52,689
Kistna Delta System	1,50,38,662	35,431	—25,000	6,000	1,50,55,093	1,51,57,434	1,02,341
Penner River Canals System	56,04,760	31,385	...	...	56,36,145	...	...
Periyar Project	1,01,31,661	10,779	18,000	31,000	1,01,91,440	1,02,44,014	52,574
Cauvery Delta System	38,09,342	51,763	43,000	70,000	39,74,105	39,97,306	23,201
Nagavalli River Project	13,75,839	88,478	93,000	65,000	16,22,317	17,47,770	1,25,453
Divi Island Project	18,05,577	13,370	8,000	12,000	18,38,947	19,50,000	1,11,053
Lower Coleroon Anicut*	17,93,189	23,265	...	...	18,16,454	...	...
Shatiatope Anicut*	7,99,875	33,200	...	...	8,33,075	...	...
Bombay.							
Desert Canal	26,37,410	3,168	...	...	26,40,578	...	...
Begari Canal	21,04,930	90,486	80,000	61,000	23,36,416	...	...
Eastern Nara Works	65,70,506	11,978	...	58,000	66,40,484	69,31,165	2,90,681
Jamrao Canal	80,65,031	24,882	37,000	80,000	82,06,913	83,58,288	1,51,375
Mutha Canal	73,47,398	42,522	4,000	2 000	73,95,920	...	...
Other projects	3,96,49,039	1,94,625	7,28,000	6,26,000	4,11,97,664	...	...
	45,57,34,526	2,32,05,543	2,17,87,000	2,21,90,000	52,29,17,069	...	...
Deduct—Outlay incurred from Ordinary Revenues	*7,14,17,030*	*1,57,585*	*1,60,000*	*1,90,000*	*7,19,24,615*	...	...
Carried over	38,43,17,496	2,30,47,958	2,16,27,000	2,20,00,000	45,09,92454	...	...

*Transferred to "49" from 1st April 1907.

APPENDIX—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Capital Expenditure on Irrigation Major Works in 1911-12, and estimated expenditure on such works in 1912-13, and 1913-14, and to the end of 1913-14.

	Actual outlay to end of 1910-1911.	Accounts, 1911-12.	Revised Estimate, 1912-13.	Budget Estimate, 1913-14.	Total actual and estimated outlay to end of 1913-14.	Sanctioned estimate.	Balance of sanctioned estimate remaining to be spent.
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Brought forward .	38,43,17,496	2,30,47,958	2,16,27,000	2,20,00,000	45,09,92,454		
PROTECTIVE IRRIGATION WORKS.							
Central Provinces.							
Tank Projects . . .	71,32,305	14,98,152	16,04,000	16,19,000	1,18,53,457	1,84,45,276	65,91,819
Behar.							
Tribeni Canal	53,72,753	5,88,845	7,00,000	6,61,000	73,22,598	73,29,392	6,794
United Provinces.							
Betwa Canal (including Dukwa weir)	77,40,276	52,673	60,000	27,000	78,79,949	79,00,595	20,646
Ken Canal	42,67,054	3,59,283	3,17,000	4,67,000	54,10,337	54,78,333	67,996
Dassan Canal	38,30,863	3,17,552	2,92,000	88,000	45,28,415		
Ghaggar Canal . . .	...	...	1,75,000	4,51,000	6,26,000	33,22,950	26,96,950
Madras.							
Rushikulya Project . . .	46,36,486	—138	6,000	10,000	46,52,348	46,60,622	8,274
Mopad Project . . .	5,15,135	—7,982	50,000	3,69,000	9,26,153	20,53,877	11,27,724
Bombay.							
Godaveri Canal . . .	58,08,573	14,87,603	7,30,000	5,38,000	85,64,176	88,34,597	2,70,421
Chankapur Tank . . .	15,95,537	39,305	62,000	99,000	17,95,842		
Nira Canal (including Shetphal Tank)	60,70,183	1,828	40,000	18,000	61,30,011	64,74,292	3,44,281
Budhihal Tank . . .	4,89,385	284	...	...	4,89,669	13,98,529	9,08,860
Pravara River Project . .	7,14,494	8,05,941	10,96,000	12,38,000	38,54,435	81,36,368	42,81,933
Nira Right Bank Canal . .	...	...	4,21,000	28,61,000	32,82,000	2,49,71,868	2,16,89,608
Other Projects.	68,56,690	2,47,807	2,94,000	2,41,000	76,39,497		
	5,50,29,734	53,91,153	58,47,000	86,87,000	7,49,54,887		
Deduct—Outlay incurred from Ordinary Revenues . .	*25,50,303*	...	...	...	*25,50,303*		
TOTAL .	5,24,79,431	53,91,153	58,47,000	86,87,000	7,24,04,584		
GRAND TOTAL .	43,67,96,927	2,84,39,111	2,74,74,000	3,06,87,000	52,33,97,038		

Appendix—*continued.*

Commercial and Financial Statistics.

Table IV.—Gross traffic receipts, working expenses, and net traffic receipts of State Railways for five years ending 1911-1912, with Revised Estimates for 1912-1913 and Budget Estimates for 1913-1914.

(Omitting 000, except in accounts.)

State Railways. (*a*)	Accounts. 1907-1908.	1908-1909.	1909-1910.	1910-1911.	1911-1912.	Revised Estimate, 1912-1913.	Budget Estimate, 1913-14.
Open mileage at beginning of year	*M.* 22,134	*M.* 23,643	*M.* 24,066	*M.* 24,604	*M.* 24,873	*M.* 25,176	*M.* 25,643
Gross Traffic Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
East Indian { England	3,450	3,450	3,450	3,450	3,450	3	3
East Indian { India	8,18,29,919	8,22,05,033	8,08,60,767	8,79,77,711	9,24,96,744	10,45,00	10,40,00
Bhopal	4,83,588	4,29,276	4,68,717	5,70,168	5,58,428	9,00	7,00
Bengal-Nagpur	2,83,80,929	2,76,16,824	2,91,40,430	3,09,98,814	3,43,74,985	4,02,00	4,00,00
Burma Railways	1,74,88,747	1,78,99,015	1,82,14,382	1,86,56,276	1,96,08,933	2,02,00	2,00,00
Burma Railway Extensions	4,19,845	9,74,069	11,83,592	13,33,726	14,68,975	17,00	17,00
Assam-Bengal	47,94,957	47,40,919	49,62,475	52,65,372	57,94,913	66,00	66,00
Jorhat	98,874	99,592	95,895	95,331	1,16,465	1,10	1,10
Eastern Bengal	2,66,04,408	2,76,24,741	2,78,33,207	2,87,32,327	3,19,58,673	3,50,00	3,45,00
Bengal and North-Western, and Tirhoot	77,40,075	81,56,998	77,47,023	82,93,536	90,52,105	95,00	95,00
Oudh and Rohilkhand	1,81,44,868	1,59,40,704	1,60,65,818	1,90,73,555	2,13,76,309	2,43,00	2,40,00
Lucknow-Bareilly	16,38,082	17,34,735	16,09,764	18,55,706	20,14,664	22,80	22,00
Hardwar-Dehra	3,90,329	3,76,179	3,79,351	3,94,918	4,54,183	4,20	4,20
North Western	6,86,60,087	5,64,77,585	7,13,05,408	7,36,47,723	8,23,59,967	8,98,00	9,00,00
South Indian	1,56,11,631	2,06,75,889	2,18,74,339	2,29,00,546	2,53,82,260	2,72,00	2,80,00
Mysore State lines	22,82,304	30,68,684	28,65,053	28,68,732	31,36,594	36,00	35,00
Dhone Kurnool	...	37,283	1,20,354	98,234	1,16,729	1,13	1,15
Nilgiri	3,34,093	...	...	...	...	...	...
Agra-Delhi Chord	16,15,900	15,17,793	14,74,866	17,65,732	20,67,879	28,50	22,50
Bezwada Extension	3,15,375	3,38,623	3,12,154	3,42,614	3,54,266	3,90	3,90
Tinnevelly-Quilon	6,17,960	6,54,829	6,45,739	7,03,544	7,79,707	8,20	8,35
Mayavaram-Mutupet	6,48,905	...	...	...	...	...	...
Jodhpur-Hyderabad (British Section)	8,36,348	6,66,318	8,38,085	9,11,724	12,63,365	13,50	13,50
Great Indian Peninsula including Indian Midland. { India	6,22,21,311	5,67,18,129	6,58,01,734	6,72,19,252	7,46,52,396	8,17,72	8,09,34
Great Indian Peninsula including Indian Midland. { England	...	30,945	...	...	...	...	...
Bombay, Baroda and Central India system	4,93,90,615	4,52,05,725	5,00,31,701	5,46,93,694	6,01,33,008	6,47,00	6,40,00
Bezwada-Masulipatam	47,640	...	...	...	...	...	...
Tirruppattur-Krishnagiri	43,173	...	...	...	...	...	...
Morappur-Dharmapuri	30,153	...	...	...	...	...	...
Kalka-Simla	8,11,867	...	...	...	...	...	...
Azikhal-Mangalore	1,41,890	...	...	...	...	...	...
Madras and Southern Maharatta Railway	1,85,28,385	2,88,01,441	2,99,76,511	3,09,39,822	3,40,03,129	3,59,10	3,60,00
Baran-Kotah	...	3,536	48,152	1,03,829	1,58,809	2,85	1,96
In England	3,450	34,395	3,450	3,450	3,450	3	3
„ India	41,01,47,258	40,19,63,920	43,38,55,517	45,94,42,886	50,36,83,486	55,45,00	55,13,00
Total	41,01,50,708	40,19,98,315	43,38,58,967	45,94,46,336	50,36,86,936	55,45,03	55,13,03

Appendix—*continued.*

	Accounts.					Revised Estimate, 1912-1913.	Budget Estimate, 1913-1914.
	1907-1908.	1908-1909.	1909-1910.	1910-1911.	1911-1912.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Working Expenses.							
East Indian	3,37,69,955	3,77,78,791	3,15,30,260	3,46,89,701	3,78,56,380	3,81,00	3,84,54
Bhopal	2,56,517	2,66,974	2,70,261	3,22,174	3,08,269	4,65	4,03
Bengal-Nagpur	1,45,62,960	1,58,66,049	1,54,92,894	1,65,12,192	1,69,10,696	1,83,00	1,84,50
Burma Railways	1,06,50,234	1,07,64,252	1,17,45,957	1,18,78,505	1,22,08,310	1,24,00	1,24,35
Burma Railway Extensions	1,75,579	5,06,998	7,46,331	8,57,929	8,80,870	10,33	10,65
Assam-Bengal	43,23,165	46,61,697	44,68,125	44,19,964	45,37,442	45,50	47,60
Jorhat	90,157	80,960	96,184	80,826	84,107	88	87
Eastern Bengal	1,75,61,827	1,89,57,924	1,80,87,197	1,68,15,069	1,85,33,643	1,97,18	1,96,00
Bengal and North-Western, and Tirhoot	31,97,268	38,72,926	35,91,829	34,78,072	32,87,052	38,00	44,15
Oudh and Rohilkhand	1,24,02,628	1,19,18,752	96,19,432	94,10,663	98,21,809	1,08,00	1,14,77
Lucknow-Bareilly	8,08,758	8,35,010	9,08,190	7,93,862	9,44,794	8,85	9,80
Hardwar-Dehra	1,95,164	1,88,090	1,89,675	1,97,459	2,27,091	2,10	2,15
North Western	3,77,39,277	4,87,04,721	5,17,91,335	4,42,72,378	4,68,85,376	4,84,00	5,10,00
South Indian	75,02,146	1,15,81,369	1,15,05,566	1,21,01,646	1,28,95,102	1,50,00	1,65,90
Mysore State lines	13,78,810	19,32,434	16,87,667	17,58,808	18,01,729	19,50	19,61
Dhone Kurnool	...	19,797	78,554	64,235	92,010	82	80
Nilgiri	2,82,952	...	...	...	...	...	...
Agra-Delhi Chord	8,70,411	9,47,681	8,52,669	10,13,130	12,04,585	14,99	13,02
Bezwáda Extension	1,31,493	1,46,999	1,59,599	1,84,361	2,13,450	2,31	2,09
Tinnevelly-Quilon	3,00,932	3,66,487	3,53,520	3,73,822	4,31,969	4,60	5,13
Mayavaram-Mutupet	3,55,157	...	...	...	...	...	...
Jodhpur-Hyderabad (British Section)	4,75,202	4,18,681	4,80,101	5,07,815	5,62,635	6,20	6,42
Great Indian Peninsula including Indian Midland	3,56,11,997	3,49,32,299	3,60,61,763	3,91,45,780	4,02,02,371	4,40,67	4,50,62
Bombay, Baroda and Central India System	2,48,78,191	2,57,74,435	2,50,80,694	2,72,54,979	2,99,73,315	3,11,00	3,20,00
Bezwada-Masulipatam	21,438	...	...	...	...	...	...
Tirruppattur-Krishangiri	36,932	...	...	...	...	...	...
Morappur-Dharmapuri	26,966	...	...	...	...	...	...
Kalka-Simla	4,50,581	...	...	...	...	...	...
Azikhal-Mangalore	87,005	...	...	...	...	...	...
Madras and Southern Mahratta Railway	1,19,61,808	1,83,57,779	1,83,91,988	1,86,69,948	1,90,03,314	2,01,00	2,04,37
Baran-Kotah	...	1,955	24,971	51,109	79,405	1,42	1,12
Total	22,01,05,510	24,88,83,000	24,82,14,762	24,48,54,427	25,89,45,724	27,40,00	28,22,49

Appendix—*continued.*

	Accounts.					Revised Estimate, 1912-13.	Budget Estimate, 1913-14.
	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.		
Net Traffic Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
East Indian	4,80,68,414	4,44,29,692	4,93,33,957	5,32,91,460	5,46,43,814	6,64,03	6,55,49
Bhopal	2,27,071	1,62,302	1,98,456	2,47,994	2,50,159	4,35	2,97
Bengal-Nagpur	1,38,17,969	1,17,50,775	1,36,47,536	1,44,86,622	1,74,64,289	2,19,00	2,15,50
Burma Railways	68,38,513	71,34,763	64,68,423	67,77,771	74,00,623	78,00	75,65
Burma Railway Extensions	2,44,266	4,67,071	4,37,263	4,75,797	5,88,105	6,67	6,35
Assam-Bengal	4,71,792	79,222	4,94,350	8,45,408	12,57,471	20,50	18,40
Jorhat	8,717	18,632	—289	14,505	32,358	22	23
Eastern Bengal	90,42,581	86,66,817	97,46,010	1,19,17,258	1,34,25,030	1,52,82	1,49,00
Bengal and North-Western, and Tirhoot	45,42,807	42,84,072	41,55,194	48,15,464	57,65,053	57,00	50,85
Oudh and Rohilkhand	57,42,240	40,21,952	64,46,386	96,62,892	1,15,54,500	1,35,00	1,25,23
Lucknow-Bareilly	8,29,324	8,99,725	7,01,574	10,61,844	10,69,870	13,95	12,20
Hardwar-Dehra	1,95,165	1,88,089	1,89,676	1,97,459	2,27,092	2,10	2,05
North Western	3,09,20,810	77,72,864	1,95,14,073	2,93,75,345	3,54,74,591	4,14,00	3,90,00
South Indian	81,09,485	90,94,520	1,03,68,773	1,07,98,900	1,24,87,158	1,22,00	1,14,10
Mysore State lines	9,03,494	11,36,250	11,77,386	11,09,924	13,34,865	16,50	15,39
Dhone Kurnool	...	17,486	41,800	33,999	24,719	31	35
Nilgiri	51,141	...	...	...	...	...	...
Agra Delhi Chord	7,45,489	5,70,112	6,22,197	7,52,602	8,63,294	13,51	9,48
Bezwáda Extension	1,83,882	1,91,624	1,52,555	1,58,253	1,40,816	1,59	1,81
Tinnevelly-Qulion	3,17,028	2,88,342	2,92,219	3,29,722	3,47,738	3,60	3,22
Mayavaram-Mutupet	2,93,748	...	...	...	...	...	...
Jodhpur-Hyderabad (British Section)	3,61,146	2,47,637	3,57,984	4,02,909	7,00,730	7,30	7,08
Great Indian Peninsula including Indian Midland	2,66,09,314	2,18,16,835	2,97,39,971	2,80,73,472	3,44,50,025	3,77,05	3,58,72
Bombay, Baroda and Central India System	2,45,12,424	1,94,31,290	2,49,51,007	2,74,38,715	3,01,59,693	3,36,00	3,20,00
Bezwada Masulipatam	26,202	...	...	...	...	...	...
Tirrupattur-Krishnagiri	6,241	...	...	...	...	...	
Morrappur-Dharmapuri	3,187	...	...	...	...	...	...
Kalka-Simla	3,61,286	...	...	...	...	...	...
Azikhal-Mangalore	54,885	...	...	...	...	...	...
Madras and Southern Mahratta Railway	65,61,577	1,04,43,662	1,15,84,523	1,22,69,874	1,49,99,815	1,58,10	1,55,63
Baran-Kotah	...	1,581	23,181	52,720	79,404	1,43	84
Total	19,00,45,198	15,31,15,315	19,06,44,205	21,45,91,909	24,47,41,212	28,05,03	26,90,54

APPENDIX—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works for five years ending 1911-12, with Revised Estimates for 1912-13, and Budget Estimate for 1913-1914.

	Actuals.					Revised Estimate, 1912-13.	Budget Estimate, 1913-14.
	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.		
DIRECT RECEIPTS—	Rs.	Rs.	Rs.	Rs.	Rs.		
Mandalay canal	3,91,658	2,76,217	2,91,443	2,86,156	2,94,909	2,88,000	2,90,000
Shwebo canal	2,68,091	3,15,471	5,19,267	5,34,592	6,20,521	6,20,000	6,22,000
Midnapur canal	1,53,330	1,74,734	2,02,123	2,07,396	2,15,470	2,14,000	2,27,000
Hijili Tidal canal	58,703	46,055	63,742	55,357	62,657	49,000	53,000
Orissa canals	4,87,689	5,14,772	5,27,884	5,17,673	5,37,234	5,23,000	5,39,000
Sone canals	16,63,360	18,71,088	18,95,202	17,69,789	16,95,488	16,69,000	17,62,000
Ganges canal (including Hathras Branch)	40,27,680	40,65,922	37,41,594	35,28,071	34,48,523	35,86,000	35,39,000
Lower Ganges canal	28,24,929	26,94,110	23,85,462	26,54,428	27,91,733	22,58,000	23,85,000
Ditto, Fatehpur Branch	3,01,590	3,64,066	3,45,349				
Agra canal	8,28,606	8,17,525	8,02,427	7,40,050	6,60,252	6,60,000	7,49,000
Eastern Jumna canal	15,27,883	13,84,614	14,53,383	12,64,610	12,30,994	11,60,000	12,82,000
† Dun canal	98,696	1,18,886	1,16,223	1,15,654	1,00,842	93,000	97,000
† Bijnor canal	18,760	26,778	30,111	31,665	27,888	33,000	25,000
Betwa canal	2,11,431	1,19,447	2,86,365	1,83,900	2,28,513	1,52,000	1,42,000
Western Jumna canal	30,70,580	24,11,139	21,64,690	20,67,901	23,50,104	27,60,000	27,00,000
Upper Bari Doab canal	33,86,707	35,16,300	35,33,808	35,80,939	38,33,926	43,03,000	42,50,000
Sirhind canal	31,05,728	30,19,407	21,04,786	20,23,490	30,60,221	47,00,000	44,27,000
Lower Chenab canal	60,71,272	71,18,579	84,95,508	90,10,924	86,28,091	87,90,000	88,26,000
Lower Jhelum canal	13,62,674	19,34,822	21,04,205	23,14,947	22,77,355	26,82,000	25,90,000
Indus Inundation canals	1,20,276	1,44,057	1,78,155	1,72,463	2,76,057	2,60,000	2,50,000
Lower Swat River canal	5,32,841	5,43,658	5,67,754	5,44,662	5,50,387	6,10,000	5,70,000
Kabul River canal	1,25,644	1,56,585	1,63,762	1,56,353	1,45,008	2,00,000	1,60,000
Godavari Delta system	1,17,722	1,24,262	1,27,098	1,29,856	1,25,557	1,27,000	1,27,000
Kistna „ „	81,657	83,697	88,683	88,473	82,948	88,000	87,000
Cauvery Delta system	3,373	2,407	4,549	6,000	4,576	5,000	5,000
Pennér River canals	2,727	5,798	2,074	3,274	3,028	2,000	2,000
Periyar project	3,375	3,956	10,241	13,803	8,785	11,000	10,000
Rushikulya project	2,457	2,637	2,777	1,309	1,473	2,000	2,000
Lower Coleroon anicut system	2,591	1,679	2,320	2,187	1,281	2,000	1,000
Shatiatope anicut „	866	744	815	498	701	...	...
Desert canal	75,284	66,755	1,01,774	91,208	85,707	75,000	85,000
Begari „	41,325	44,222	43,131	35,717	10,826	30,000	30,000
Eastern Nara works	49,406	31,654	23,572	23,572	26,486	23,000	23,000
Jamrao canal	16,438	16,101	20,238	27,066	29,310	25,000	25,000
Mutha canals	3,43,020	3,66,300	3,54,618	3,96,247	4,33,565	3,25,000	3,50,000
Nira canal	4,60,671	2,95,164	4,01,109	3,20,314	4,36,893	4,40,000	4,81,000
Other projects	12,81,125	10,84,748	14,49,919	14,20,214	14,35,679	17,15,000	23,46,000
TOTAL	3,31,20,215	3,37,14,356	3,46,06,161	3,43,20,758	3,57,22,988	3,84,80,000 *	3,90,59,000 *
PORTION OF LAND REVENUE DUE TO IRRIGATION—							
Mandalay canal	5,505	53,345	53,648	51,637	51,713	59,000	60,000
Shwebo canal	24,076	26,791	42,934	65,758	86,540	79,000	87,000
Ganges canal	9,22,411	9,23,276	9,29,409	9,35,716	9,43,958	9,44,000	9,44,000
Lower Ganges canal	4,16,669	4,16,669	4,29,702	4,43,493	4,58,555	4,58,000	4,58,000
Ditto Fatehpur Branch	388	388	388				
Eastern Jumna „	2,53,952	2,53,952	2,53,952	2,53,952	2,53,952	2,54,000	2,54,000
† Dun canal	24,980	24,980	24,980	24,980	24,980	25,000	25,000
† Bijnor canal	14,984	14,984	14,984	14,984	14,984	15,000	15,000
Carried over	16,62,965	17,14,385	17,49,997	17,90,520	18,34,682	18,34,000	18,43,000

* Excluding Civil Officers' figures as under :—

	Revised.	Budget.
	Rs.	Rs.
United Provinces	1,62,000	1,64,000
Punjab	4,43,000	70,000
Total	6,05,000	2,34,000

† Transferred to 49, from 1st April 1907.

APPENDIX—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation - Major Works for five years ending 1911-12, with Revised Estimates for 1912-13 and Budget Estimates for 1913-14—*continued.*

	Actuals.					Revised Estimate, 1912-13.	Budget Estimate, 1913-14.
	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.		
PORTION OF LAND REVENUE DUE TO IRRIGATION—*contd.*	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Brought forward	16,62,965	17,14,385	17,49,997	17,90,520	18,34,682	18,34,000	18,43,000
Western Jumna canal	...	30	180	2,75,586	2,23,412	2,75,000	2,75,000
Upper Bari Doab canal	3,13,004	3,19,853	3,25,331	3,25,187	3,26,150	3,26,000	3,26,000
Lower Chenab canal	10,51,332	13,34,580	16,99,083	17,07,676	41,42,468	50,87,000	54,04,000
Lower Jhelum „	3,19,280	3,78,515	4,03,369	4,93,261	4,87,614	15,00,000	14,00,000
Indus Inundation canals	3,16,389	2,44,200	2,74,563	2,72,619	2,78,279	2,71,000	2,71,000
Lower Swat River canal	50,393	50,451	50,376	50,568	50,601	50,000	50,000
Kabul River canal	2,175	39,87.	5,436	5,649	14,869	6 000	6,000
Godavari Delta System	34,23,425	35,14,232	34,04,411	33,75,550	35,02,481	36,14,000	36,14,000
Kistna „ „	31,27,650	32,07,665	32,62,547	32,92,091	33,31,473	33,72,000	33,72,000
Cauvery „ „	9,32,393	9,32,380	9,37,519	9,40,219	9,97,224	9,97,000	9,97,000
Pennér River canals	5,30,680	5,74,297	4,05,305	5,79,763	5,38,177	5,38,000	5,38,000
Periyar project	5,19,689	5,20,865	5,34,958	5,34,393	5,49,381	5,44,000	5,77,000
Rushikulya Project	1,04,557	1,09,070	1,16,318	1,36,833	1,45,868	1,58,000	1,60,000
Lower Coleroon anicut system	2,77,144	2,78,952	2,81,959	2,78,803	2,79,648	2,82,000	2,8-,000
Shatiatope anicut „	1,04,152	1,06,654	1,00,733	1,01,874	1,03,736	1,04,000	1,04,000
Desert canal	1,32,387	2,68,678	2,29,577	2,51,332	2,09,297	2,44,000	2,67,000
Begari „	5,27,973	5,49,748	4,80,083	4,57,215	1,53,850	2.45,000	2,55,000
Eastern Nara Works	4,62,019	5,53,773	5,28,887	5,88,428	6,13,899	6,37,000	6,38,000
Jamrao canal	6,24,200	4,59,024	5,57,621	6,42,662	6,68,637	7,40,000	7,57,000
Mutha canal	*—9,208*	*—10,899*	*—10,117*	*—12,088*	*—14,020*	...	...
Nira canal	*—22,407*	*—14,214*	*—19,764*	*—15,768*	*—21,638*	...	...
Other projects	11,57,797	12,33,550	14,39,471	15,57,585	15,55,889	17,66,000	17,90,000
TOTAL	1,56,07,989	1,63,65,668	1,67,60,820	1,76,70,078	2,02,71,977	2,25,90,000	2,29,46,000
TOTAL REVENUE—							
Mandalay canal	3,97,163	3,29,562	3,45,091	3,37,713	3,46,622	3,47,000	3,50,000
Shwebo canal	2,92,167	3,42,262	5,62,201	6,00,350	7,07,061	6,99,000	7,09,000
Midnapur canal	1,53,330	1,74,784	2,02,123	2,07,396	2,15,470	2,14,000	2,27,000
Hijili Tidal canal	58,703	46,055	63,742	55,357	62,657	49,000	53,000
Orissa canals	4,87,689	5,14,772	5,27,884	5,17,673	5,37,234	5,23,000	5,39,000
Sone canals	16,63,360	18,71,088	18,95,202	17,69,789	16,95,488	16.69,000	17,62,000
Ganges canal (including Hathras Branch)	49,50,091	49,89,198	46,71,003	44,63,787	43,92,481	45,30,000	44,83,000
Lower Ganges canal	32,41,598	31,10,779	28,15,164	30,97,921	32,50,288	27,16,000	28,43,000
Ditto Fatehpur Branch	3,01,978	3,64,454	3,45,737				
Agra canal	8,28,606	8,17,525	8,02,427	7,40,050	6,60,252	6,60,000	7,49,000
Eastern Jumna canal	17,81,895	16,38,566	17,07,335	15,18,562	14,84,946	14,14,000	15,36,000
† Dun canal	1,23,676	1,43,866	1,41,203	1,40,634	1,25,822	1,18,000	1,22,000
† Bijnor canal	33,744	41,762	45,095	46,649	42,872	45,000	40,000
Betwa canal	2,11,431	1,19,447	2,86,965	1,83,900	2,28,513	1,52,000	1,42,000
Western Jumna canal	30,70,580	24,11,169	21,64,820	23,43,487	25,73,516	20,35,000	29,75,000
Upper Bari Doab canal	36,99,711	38,36,153	38,59,139	39,06,126	41,60,076	46,29,000	45,76,000
Sirhind canal	31,05,728	30,19,407	21,04,786	20,23,490	30,60,221	47,00,000	44,27,000
Lower Chenab canal	71,22,604	84,53,159	1,01,94,591	1,07,18,600	1,27,70,559	1,38,77,000	1,42,80,000
Lower Jhelum canal	16,81,954	23,13,237	25,07,574	28,08,328	27,64,969	41,82,000	39,90,000
Indus Inundation canals	4,36,665	3,88,257	4,52,718	4,45,082	5,54,236	5,31,000	5,21,000
Lower Swat River canal	5,83,234	5,94,109	6,18,130	5,95,230	6,00,985	6,60,000	6,20,000
† Kabul river canal	1,27,819	1,96,464	1,69,198	1,62,002	1,59,877	2,06,000	1,66,000
Godavari Delta System	35,41,147	36,38,494	35,31,517	35,05,406	39,28,038	37,41,000	37,41,000
Kistna „ „	32,09,307	32,91,362	33,51,230	35,80,564	34,14,421	34,60,000	34,59,000
Carried over	4,11,04,120	4,26,45,981	4,33,64,275	4,35,68,176	4,77,36,707	5,21,60,000	5,22,60,000

† Transferred to 49, from 1st April 1907.

APPENDIX—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works, for five years ending 1911-12, with Revised Estimates for 1912-13, and Budget Estimates for 1913-14—*continued.*

	Actuals.					Revised Estimate, 1912-13.	Budget, Estimate, 1913-14.
	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TOTAL REVENUE—*conc'd.*							
Brought forward	4,11,04,120	4,26,45,981	4,33,64,275	4,35,68,176	4,77,36,707	5,21,60,000	5,22,60,000
Cauvery Delta System	9,35,766	9,34,787	9,42,068	9,46,219	10,01,800	10,02,000	10,02,000
Penner River canals	5,33,407	5,80,095	4,10,382	5,83,037	5,41,205	5,40,000	5,40,000
Periyar Project	5,23,064	5,24,821	5,45,199	5,48,196	5,58,166	5,55,000	5,87,000
Rushikulya Project	1,07,014	1,11,707	1,19,095	1,38,142	1,47,341	1,60,000	1,62,000
†Lower Coleroon anicut system	2,79,735	2,80,631	2,84,279	2,80,990	2,80,929	2,84,000	2,83,000
†Shatiatope anicut system	1,05,018	1,07,398	1,01,548	1,02,372	1,04,437	1,04,000	1,04,000
Desert canal	2,07,671	3,35,433	3,31,351	3,42,540	2,95,004	3,19,000	3,72,000
Begari „	5,69,298	5,93,970	5,23,214	4,92,932	1,64,676	2,75,000	2,85,000
Eastern Nara Works	5,11,425	5,85,427	5,52,459	6,12,000	6,40,385	6,60,000	6,61,000
Jamrao canal	6,40,688	4,75,125	5,77,867	6,69,728	6,97,947	7,65,000	7,82,000
Mutha canal	3,33,812	3,55,401	3,44,501	3,84,159	4,19,545	3,25,000	3,50,000
Nira canal	4,38,264	2,80,950	3,81,345	3,04,546	4,15,255	4,40,000	4,81,000
Other projects	24,38,922	22,68,298	28,89,398	30,17,799	29,91,568	34,81,000	41,36,000
TOTAL	4,87,28,204	5,00,80,024	5,13,66,981	5,19,90,836	5,59,94,965	6,10,70,000	6,20,05,000
WORKING EXPENSES—							
Mundalay canal	81,472	82,392	81,457	94,787	81,603	92,000	94,000
Shwebo canal	1,19,394	1,19,591	1,37,721	1,66,463	2,10,659	2,47,000	2,31,000
Midnapore canal	1,84,291	2,12,361	2,21,375	1,90,318	2,43,964	2,44,000	1,87,000
Hijili Tidal canal	40,783	46,676	55,740	74,508	33,122	32,000	53,000
Orissa canals	4,30,069	4,19,057	4,44,664	4,47,819	4,06,871	4,08,000	4,51,000
Sone canals	7,51,790	6,98,982	7,04,989	7,15,221	6,58,557	6,67,000	7,52,000
Ganges canal	12,22,219	12,56,713	12,97,630	11,86,609	12,22,142	9,53,000	9,84,000
Lower Ganges canal	10,43,099	10,36,765	10,08,748	11,18,824	10,39,189	10,66,000	10,21,000
Ditto Fatehpur Branch	1,33,344	1,37,413	1,34,651				
Agra canal	3,16,712	3,35,275	3,83,954	3,34,822	3,36,986	3,41,000	3,01,000
Eastern Jamna canal	4,18,193	4,11,535	4,83,584	4,38,285	4,05,534	3,77,000	3,45,000
†Dun canal	81,194	1,09,600	1,33,133	1,06,572	80,845	83,000	90,000
‡Bijnor canal	16,589	16,765	21,395	21,303	26,698	26,000	22,000
Betwa canal	1,23,490	1,33,140	1,17,460	1,31,059	1,56,583	1,69,000	1,65,000
Western Jumna canal	9,89,606	9,92,668	10,61,811	10,43,129	11,49,041	11,00,000	11,45,000
Upper Bari Doab canal	14,86,234	13,44,928	13,24,386	13,26,549	16,32,005	16,00,000	16,00,000
Sirhind canal	9,20,563	8,99,546	8,28,628	8,45,564	9,29,748	9,50,000	9,70,000
Lower Chenab canal	18,65,256	19,28,633	23,37,425	22,67,303	23,70,127	23,50,000	23,00,000
Lower Jhelum canal	7,23,559	8,26,808	8,00,166	8,29,014	9,94,308	9,20,000	8,25,000
Indus Inundation canals	3,69,311	4,47,559	6,88,949	6,76,704	4,04,818	4,00,000	3,00,000
Lower Swat River canal	1,18,842	1,36,679	1,40,726	1,43,055	1,70,436	1,59,000	71,000
†Kabul River canal	96,616	60,122	72,283	97,600	1,07,147	1,19,000	89,000
Godavari Delta System	7,11,456	7,69,866	8,32,095	7,80,126	7,73,247	7,00,000	7,52,000
Kistna „ „	5,33,036	5,67,852	5,58,559	7,10,514	6,28,138	5,76,000	6,19,000
Cauvery „ „	81,303	1,54,028	1,17,419	1,87,852	1,20,350	1,23,000	1,27,000
Penner River canals	67,953	70,682	68,934	75,370	52,498	58,000	69,000
Periyar Project	1,65,530	1,61,144	1,35,374	1,14,356	1,30,707	1,19,000	1,23,000
Rushikulya Project	41,387	47,355	48,383	36,767	44,334	36,000	39,000
†Lower Coleroon anicut system	75,771	59,902	60,021	92,123	88,904	1,03,000	50,000
†Shatiatope anicut system	23,784	22,218	20,343	25,551	30,594	24,000	21,000
Desert canal	1,79,374	1,26,153	1,13,096	1,37,454	1,39,730	1,27,000	1,45,000
Carried over	1,34,12,220	1,36,32,408	1,44,35,099	1,44,15,621	1,46,68,885	1,41,69,000	1,39,41,000

† Transferred to 49, from 1st April 1907.

APPENDIX—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works, for five years ending 1911-12, with Revised Estimates for 1912-13, and Budget Estimates for 1913-14—*continued.*

	Actuals.					Revised Estimate, 1912-13.	Budget Estimate, 1913-14.
	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Brought forward	1,34,12,220	1,36,32,408	1,44,35,099	1,44,15,621	1,46,68,885	1,41,69,000	1,39,41,000
WORKING EXPENSES—*concld.*							
Begari canal	56,636	1,00,364	79,377	1,80,608	1,30,759	1,10,000	1,66,000
Eastern Nara Works	1,65,291	2,19,669	1,64,741	1,94,170	2,49,693	1,67,000	1,50,000
Jamrao canal	2,92,478	3,42,833	2,70,771	2,81,773	2,94,425	3,15,000	2,90,000
Mutha canals	94,580	1,01,410	1,04,492	99,945	96,886	95,000	79,000
Nira canal	74,710	74,026	70,048	74,003	77,769	1,32,000	1,20,000
Other projects	9,64,222	10,78,116	12,88,638	13,98,199	16,58,126	21,26,000	26,73,000
TOTAL	1,50,60,137	1,55,48,826	1,64,13,166	1,66,44,319	1,71,76,543	1,71,14,000 *	1,74,19,000 *
NET REVENUE—							
Mandalay canal	3,15,691	2,47,170	2,63,634	2,43,006	2,65,019	2,55,000	2,56 000
Shwebo canal	1,72,773	2,22,671	4,24,480	4,33,887	4,96,402	4,52,000	4,78.000
Midnapur canal	*—30,961*	*—37,627*	*—19,252*	17,078	*—28,494*	*—30,000*	40,000
Hijili Tidal canal	17,920	*—621*	8,002	*—19,151*	29,535	17,000	...
Orissa canals	57,620	95,715	83,220	69,854	1,30,363	1,15,000	88,000
Sone canals	9,11,570	11,72,106	11,90,213	10,54,568	10,36,931	10,02,000	10,10,000
Ganges canal (including Hathras Branch)	37,27,872	37,32,485	33,73,373	32,77,178	31,70,339	35,77,000	34,99,000
Lower Ganges canal	21,98,499	20,74,014	18,06,416	19,79,097	22,11,099	16,50,000	18,22,000
Ditto, Fatehpur Branch	1,68,634	2,27,041	2,11,086			3,19,000	4,48,000
Agra canal	5,11,894	4,82,250	4,18,473	4,05,228	3,23,266	10,37,000	11,91,000
Eastern Jumna canal	13,63,642	12,27,031	12,23,751	10,80,277	10,79,412	35,000	32,000
Dun canal	42,482	34,266	8,070	34,062	44,977	22,000	18,000
Bijnor canal	17,155	24,997	23,700	25,346	16,174	*—17,000*	*—23,000*
Betwa canal	87,941	*—13,693*	1,68,905	52,841	71,930	19,35,000	18.30,000
Western Jumna canal	20,80,974	14,18,471	11,02,879	13,00,358	14,24,475	30,29,000	29,76.000
Upper Bari Doab canal	22,13,477	24,91,225	25,34,753	25,79,577	25,28,071	37,50,000	34,57.000
Sirhind canal	21,85,165	21,19,861	12,76,158	11,77,926	21,30,473	1,15,27,000	1,19,30,000
Lower Chenab canal	52,57,348	65,24,526	78,57,166	84,51,297	1,04,00,432	32,62,000	31,65,000
Lower Jhelum canal	9,58,395	14,86,529	17,07,408	19,79,314	17,70,661	1,31,000	2,21.000
Indus Inundation canals	67,354	*—59,302*	*—2,36,231*	*—2,31,622*	1,49,518	5,01,000	5.49.000
Lower Swat River canal	4,64,392	4,57,430	4,77,404	4,52,175	4,30,552	87,000	77,000
Kabul River canal	31,203	1,36,342	96,915	64,402	52,730	30,41,000	29,89,000
Godavari delta system	28,29,691	28,68,628	26,99,422	27,25,280	31,54,791	28,84,000	28,40,000
Kistna „ „	26,76,271	27,23,510	27,92,671	26,70,050	27,86,283	8,79,000	8,75,000
Cauvery Delta system	8,54,463	7,80,759	8,24,649	7,58,367	8,81,450	4.82,000	4,71,000
Penner River canals system	4,65,454	5,09,413	3,41,448	5,07,667	4,88,707	4,36,000	4,64,000
Periyar Project	3,57,534	3,63,677	4,09,825	4,33,840	4,27,459	1,24,000	1,23,000
Rushikulya project	65,627	64,352	70,712	1,01,375	1,03,007	1,81,000	2,33,000
Lower Coleroon anicut system	2,03,964	2,20,729	2,24,258	1,88,867	1,92,025	80,000	83,000
Shatiatope anicut „	81,234	85,180	81,205	76,821	73,843	1,92,000	2,27,000
Desert canal	28,297	2,09,280	2,18,255	2,05,086	1,55,274	1,65,000	1,19,000
Begari „	5,12,662	4,93,606	4,43,837	3,12,324	33,917	4,93,000	5,11,000
Eastern Nara Works	3,46,134	3,65,758	3,87,718	4,17,830	3,90,692	4,50,000	4,92,000
Jamrao canal	3,48,210	1,32,292	3,07,096	3,87,955	4,03,522	2,30,000	2,71,000
Mutha canals	2,39,232	2,53,991	2,40.009	2,84,214	3,22,659	3,08,000	3,61,000
Nira canal	3,63,554	2,06,924	3,11,297	2,80,543	3,37,486	13,55,000	14,63,000
Other projects	14,74,700	11,90,212	16,00,890	16,19,600	13,33,442		
TOTAL	3,36,68,067	3,45,31,198	3,49,53,815	3,53,46,517	3,88,18,422	4,39,56,000	4,45,86,000

* Excluding Civil Officers' figures as under :—

	Revised. Rs.	Budget. Rs.
United Provinces	18,000	18 000
Punjab	3.000	2,000
	21,000	20,000

Appendix—*continued.*

Table VI.—Capital Account of Subsidized Railways.

Actuals, 1911-1912.

	RAILWAYS.	Amount in Rupees.	Amount in sterling at contract rates.	Equivalent at Rs. 15=£1.	Exchange.
		Rs.	£	Rs.	Rs.
	Subsidized Railways.				
	Receipts.				
Capital received in India.	Amritsar-Patti-Kasur	1,67,955	11,197	1,67,955	...
	Idar Road Brahmakhed Ahmedabad-Dholka Ahmedabad-Parantij Tapti Valley	3,30,495	22,033	3,30,495	...
	Hardwar-Dehra	6,000	400	6,000	...
	Mymensingh-Jamalpur-Jagannathganj	34,005	2,267	34,005	...
	Murtazpur-Ellichpur	3,24,000	21,600	3,24,000	...
	Total Receipts	8,62,455	57,497	8,62,455	...
	Withdrawals in India.				
	Assam Bengal	*—5,73,617*	*—38,241*	*—5,73,617*	...
	Bengal Nagpur	2,93,036	19,536	2,93,036	...
	Ditto Extensions	45,77,586	305,172	45,77,586	...
	Burma	22,22,775	148,185	22,22,775	...
	Lucknow-Bareilly	*—76,669*	*—5,111*	*—76,669*	...
	Madras and Southern Mahratta	*—25,26,719*	*—168,448*	*—25,26,719*	...
		39,16,392	261,093	39,16,392	...
	Amritsar-Patti-Kasur	1,08,874	7,258	1,08,874	...
	Idar Road Brahmakhed Tapti Valley Ahmedabad-Dholka Ahmedabad-Parantij	3,01,345	20,090	3,01,345	...
	Hardwar-Dehra	26,731	1,782	26,731	...
	Mymensingh-Jamalpur-Jagannathganj	41,868	2,791	41,868	...
	Murtazpur-Ellichpur	3,24,000	21,600	3,24,000	...
		8,02,818	53,521	8,02,818	...
	Total Withdrawals	47,19,210	314,614	47,19,210	...
	Net Withdrawals	38,56,755	257,117	38,56,755	...

Appendix—*continued.*

Table VI.—Capital Account of Subsidized Railways—*continued.*

Revised Estimate, 1912-1913.

	Railways.	Amount in Rupees. (Omitting 000.)	Amount in sterling at contract rates. (Omitting 00.)	Equivalent at 1s 4d = £ 1. Omitting 00.)	Exchange. (Omitting 00.)
	Subsidized Railways.	Rs.	£	Rs.	Rs.
	Receipts.				
Capital received in India.	Amritsar-Patti-Kasur	79	5,2	79	...
	Ahmedabad-Parantij	...	...	...	...
	Dhond-Baramati	58	3,9	58	...
	Murtajapur Ellichpur	6,22	41,5	6,22	...
	Murtajapur-Yeotmal	2,20	14,7	2,20	...
	Hardwar-Dehra	51	3,4	51	...
	Mymensingh-Jamalpur-Jagannathganj	29	1,9	29	...
	Total Receipts	10,59	70,6	10,59	...
	Withdrawals in India.				
	Assam Bengal	*—6,33*	*—42,2*	*—6,33*	...
	Bengal Nagpur	11,48	76,5	11,18	...
	Ditto Extensions	35,21	234,8	35,21	...
	Burma	5,00	33,3	5,00	...
	Lucknow Bareilly	*—54*	*—3,6*	*—54*	...
	Madras and Southern Mahratta	*—30,00*	*—200,0*	*—30,00*	...
		14,82	98,8	14,82	...
	Amritsar Patti-Kasur	82	5,5	82	...
	Dhond-Baramati	58	3,9	58	...
	Idar Road Brahmakhed	40	2,6	40	...
	Hardwar-Dehra	25	1,7	25	...
	Mymensingh-Jamalpur-Jagannathganj	41	2,7	41	...
	Murtajapur Ellichpur	6,22	41,5	6,22	...
	Murtajapur-Yeotmal	2,20	14,7	2,20	...
	Tapti Valley	5	3	5	...
		10,93	72,9	10,93	..
	Total Withdrawals	25,75	171,7	25,75	...
	Net Withdrawals	15,16	101,1	15,16	...

Appendix—*concluded.*

Table VI.—Capital Account of Subsidized Railways—*concluded.*

Budget Estimate, 1913-1914.

Railways.	Amount in Rupees. (Omitting 000.)	Amount in sterling at contract rates. (Omitting 00.)	Equivalent at Rs 15=£1. (Omitting 000.)	Exchange. (Omitting 000.)
Subsidized Railways.	Rs.	£	Rs	Rs.
Receipts.				
Capital received in India.				
Ahmedabad-Dholka	7	5	7	...
Ahmedabad-Parantij	3	2	3	...
Amritsar-Patti-Kasur	35	2,3	35	...
Dhond-Baramati	4,53	30,2	4,53	...
Hardwar-Dehra	26	1,8	26	...
Idar-Road-Brahmakhed	55	3,7	55	...
Mymensingh-Jamalpur-Jagannathganj	78	5,2	78	...
Murtajapur-Ellichpur	5,64	37,6	5,64	...
Murtajapur-Yeatmal	11,22	74,8	11,22	...
Tapti Valley	70	4,6	70	...
Total Receipts	24,13	160.9	24,13	...
Withdrawals in India.				
Assam-Bengal	*—32,50*	*—216,7*	*—32,50*	...
Bengal-Nagpur	14,07	93,8	14,07	...
Ditto Extensions	30,57	203,8	30,57	...
Burma	21,05	140,4	21,05	...
Lucknow-Bareilly	*—1,76*	*—11,7*	*—1,76*	...
Madras and Southern Mahratta	*—21,58*	*—143,9*	*—21,58*	...
	9,85	65,7	9,85	...
Ahmedabad-Dholka	10	7	10	...
Ahmedabad-Parantij	10	7	10	...
Amritsar-Patti Kasur	35	2,3	35	...
Dhond-Baramati	4,53	30,2	4,53	...
Hardwar-Dehra	26	1,8	26	...
Idar Road-Brahmakhed	57	3,8	57	...
Mymensingh-Jamalpur-Jagannathganj	78	5,2	78	...
Murtajapur-Ellichpur	5,64	37,6	5,64	...
Murtajapur-Yeatmal	11,22	74,8	11,22	...
Tapti Valley	70	4,6	70	...
	24,25	161,7	24,25	...
Total Withdrawals	34,10	227,4	34,10	...
Net Withdrawals	9,97	66,5	9,97	...

GOVERNMENT OF INDIA

LEGISLATIVE DEPARTMENT

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 to 1909 (24 & 25 Vict., c. 67, 55 & 56 Vict., c. 14, AND 9 Edw. VII, c. 4.)

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Monday, the 24th March, 1913.

PRESENT:

The Hon'ble SIR HARCOURT BUTLER, K.C.S.I., C.I.E., *presiding*,
and 50 Members, of whom 44 were Additional Members.

BUDGET, 1913-1914.

The Hon'ble Sir Harcourt Butler:—"I may remind the Hon'ble Members that the time-limit for speeches to-day is twenty minutes, and this limit will be strictly adhered to."

The Hon'ble Babu Surendra Nath Banerjee:—"Sir, my first words on this occasion will be words of congratulation to the Hon'ble Finance Minister on the Budget which he has presented to us. Our feelings to-day, Sir, are of the mixed order. While we rejoice over the financial prosperity of the country and grasp with gratitude the hand that has contributed to it, so far as it lies in the power of a Finance Minister to do so, we are filled with a sense of profound sorrow at his impending retirement and his approaching departure from this country. This feeling, I find is shared by Sir Guy Fleetwood Wilson himself. He says, in the speech with which he prefaced the Financial Statement on the 1st March last, that he views the severance of his connection with the Government of India with great sorrow. If he is sorry to leave us, we are also deeply sorry to part with him. If at the present moment India is prosperous and happy, the result is, in some degree at least, due to the successful financial administration over which Sir Guy Fleetwood Wilson presided with such conspicuous ability and such pre-eminent sympathy for the people. For, Sir, the Department of Finance covers every other Department and colours it with its hue. When Sir Guy Fleetwood Wilson came out to this country towards the end of 1908, the financial horizon was overcast with dark and ominous clouds. The budget which was presented in the course of the next three months disclosed a heavy deficit to the extent of nearly four millions. To-day, Sir, we have a surplus of seven millions. True, some new taxes have been imposed to which nobody in India has seriously objected, but the public expenditure has been well-maintained, the progressive requirements of the country met, and the prospects of steady and continuous advancement assured. In bidding Sir Guy Fleetwood Wilson good-bye, we wish him long life and prosperity in the old country, and may we couple this wish with the hope that he may continue to feel an abiding interest in that country whose prosperity and welfare he so sedulously tried to advance during the period of his official connection with India? He will be remembered, Sir, as one of the ablest and one of the most sympathetic of Finance Ministers whose outlook extended beyond the range of his own particular department and whose sympathies were co-extensive with the entire circle of our varied and multitudinous interests.

BUDGET.

[*Babu Surendra Nath Banerjee.*] [24TH MARCH, 1913.]

"Sir, there is one passage in the speech of Sir Guy Fleetwood Wilson to which I have already referred which will linger in our memories and will appeal to our imagination long after he has left these shores. While dwelling to the necessity of establishing a gold mint in this country, he made the observation that we are all united by the common bond, that we are fellow-citizens of one great Empire. Sir, no nobler sentiment could have been uttered, for it points to the essential equality of status on the part of His Majesty's Indian subjects; and here may I be permitted to make an appeal, if I am allowed to do so without impertinence or irreverence, to the Hon'ble Members who occupy those benches and who constitute the Government of India, that they may so discharge their exalted duties that this sentiment may be deepened and accentuated and that we may all feel and realize, no matter whether we are Englishmen or Scotchmen or Irishmen or Indians, that we are Britishers: fellow-citizens, participating in the privileges and also in the obligations of a common Empire, the greatest, perhaps the world has ever seen?

"Sir, sanitation and education are the watchwords of modern India. They have been accepted by the Government with alacrity and enthusiasm. Sir Guy Fleetwood Wilson, in the speech to which I have referred, says that they are twins of phenomenal development. So they are. Sanitation is the first of our needs. We must live before we can be educated, and we must be educated in order that we may realise the commonest hygienic needs so indispensable for the purposes of effective sanitation. The inter-dependence between sanitation and education is recognised by the Government of India, which has made them the concern of a common Department. You, Sir, as the head of the Education and Sanitary Department are responsible for the health and the education of the millions of our fellow-countrymen. I can conceive of no higher duty or more exalted trust, and I may be permitted to add that educated India is watching the operations of your Department with interest and expectancy. Sir, we are grateful to the Government of India for the grants which it has made to the Local Governments in respect of sanitation, education and other matters, and here, perhaps, I may be permitted to utter a word of complaint. There has been, perhaps, too great a disposition on the part of the Government to earmark these grants, and the Local Governments, confronted with resolutions and interpellations, often find themselves in the difficult position that they have to refuse reasonable proposals put forward by non-official members on the ground that they are handicapped by the instructions of the Government of India. Sir, I do not for one moment dispute that the Government of India, having made these grants, ought to have a voice in their disposal; but I beg to submit, Sir, that in accordance with the spirit of the great Despatch of the 25th August, 1911, which holds out to us in prospect the boon of provincial autonomy, a greater and larger measure of discretion should be allowed to the Local Governments in the disposal of these funds. Sir, if sanitation and education are the watchwords of the Government of India, they are matters of absorbing interest to the Local Governments. Thus, for instance, the Government of Bengal has taken up the question of rural sanitation and of village water-supply with a degree of earnestness and a measure of practical sagacity which have won for that Government the unstinted gratitude of the people. In matters of sanitation and education the policy of the Government of India is the policy of the Local Governments. I, therefore, may be permitted in this Council Chamber to plead for the independence of the Local Governments in these matters: they have to carry out the instructions of the Government of India, varied by local conditions of which they are best cognisant.

"Sir, the release of the local cesses for local purposes has been an unspeakable boon to the people and is greatly appreciated by them. In Bengal, we get 25 lakhs a year, which, I understand, is to be devoted to village sanitation and rural water-supply. Thousands and hundreds of thousands of lives are lost every year through such preventible diseases as cholera and malarial fever. Good water-supply, a good system of drainage will go far to protect the people against the ravages of these diseases. The Government of Bengal has already started anti-malarial operations, and with admirable results. I can bear my personal testimony to the success of these operations in one particular area with

BUDGET.

[24TH MARCH, 1913.] [*Babu Surendra Nath Banerjee.*

which I happen to be connected Sir, if the 25 lakhs of rupees to which I have referred be devoted to the digging and repairing of tanks taking the average cost of each tank to be Rs 1,000, in the course of four years, we shall have about 10,000 tanks in Bengal, an unspeakable boon to the people in the rural areas.

"Sir, the Hon'ble the Finance Minister has been pleased to speak in terms of sympathy with local self-government. He says the encouragement and development of local self-government is an object about which all are agreed, and he adds that these grants have been made with a view to strengthening their resources. Sir, I am perfectly certain that these grants will enormously add to the usefulness of local bodies But, Sir, something more is needed for the encouragement and development of local self-government With added funds larger powers should be vested in them I think their constitution ought to be recast; they ought to be reorganised upon a more popular and liberal basis With greater independence, with larger powers of initiative, with less of official control, these local bodies would be quickened into a new sense of awakened responsibility I rejoice, Sir, that the recommendations of the Decentralisation Commission have been forwarded to the Secretary of State and are under his consideration. I hope early orders will be passed, and I hope and trust these orders will include the establishment of a Local Government Board in each province. Sir, this is a proposal which was made in the time of Lord Ripon. For some reason or another it was abandoned. I find, on reading through the Report of the Decentralisation Commission, that Mr Romesh Chandra Dutt made this recommendation. I really hope, Sir, that this part of the recommendations of Mr. Dutt will be accepted. At the present moment the local bodies are supervised by hard-worked Magistrate-Collectors and Commissioners of Divisions. I think, Sir, the organisation of a central body supervising the self-governing institutions will have the effect of co-ordinating their labours, and helping forward their development along normal and natural lines

"Sir, we rejoice to find that the military expenditure is practically at a standstill, a sum of about £552,000 having been added in 1913-14 to the expenditure side over the expenditure of the current year. Sir, it is further expected that as the result of the labours of the Nicholson Committee there will be reductions. But, Sir, there is an ominous note of warning in the speech of the Hon'ble the Finance Minister. He says that a Committee has been appointed to inquire into what he calls the Marine expenditure.

"I should like to know what this marine expenditure is. I do hope that this Committee will not make recommendations to add to the contribution which we pay at the present moment to the British Navy. Hon'ble Members will remember the discussion which took place in the English newspapers regarding the alleged inadequate grant which India makes in support of the British Navy. We were reminded of the *Dreadnoughts*—of the gift of *Dreadnoughts* made by the Colonies, and we were told that our contribution was below that of the Colonies. That is so, so far as this particular matter is concerned; but in regard to other matters, our contribution has been far in excess of that of the Colonies —and I may add far in excess, in some cases at any rate, of the requirements of justice and fair-play. The India Office—that magnificent pile of buildings which attracts the gaze of the beholder at Whitehall—was built by our money, and its establishment is maintained by us. The Colonial Office is maintained by the Home Government The Indian Army is maintained on a footing so that it serves the purpose of an Imperial Reserve for which the Imperial Government does not pay a farthing. In 1899, we sent 10,000 troops to (South) Africa which saved the situation. In the Chinese War we sent an Indian Contingent which did admirable service Formerly the charges of foreign expeditions in which Indian troops took part—both ordinary and extraordinary—were paid out of the Indian revenues. Happily things have altered for the better now. Lord Morley—then Mr. Morley—speaking in connection with the Sudan War—described this policy as 'a policy of melancholy meanness.' But, as I have said, there has been an improvement in this direction. The conscience of the British authorities has been stirred to a sense of justice

to the financial claims of India. In any case, Sir, I hope and trust, in view of our contributions in the past, and in view of the poverty of our people, that no addition will be made in the shape of Marine charges.

"The Hon'ble the Finance Minister refers to the improvements in communications as a source of revenue in which the Government of India is interested. Probably those remarks apply to roads; but they might as well hold good in respect of waterways. Sir, these waterways form an important branch of our communications. In country like ours with its long distances, with its fine and magnificent rivers, the maintenance of waterways in a high state of efficiency I conceive to be one of the greatest duties of Government. Sir, these waterways provide facilities for cheap transport; they help the development of inland trade; they constitute a perennial source of water-supply and thus further the interests of sanitation. Sir, the German Government pays the greatest possible attention to their canals and waterways, notwithstanding their magnificent railways, for the purposes of industrial development. I hold in my hand a book on Modern Germany written by Mr. Barker, who is an authority on German affairs, and with your permission, Sir, I will read a short extract from it:

'Recognising the importance of a cheap transport system, which would bring with it wholesome competition, Germany has steadily extended, enlarged, and improved her natural and artificial waterways, and keeps on extending and improving them year by year, and if a man would devote some years solely to the study of the German waterways, and make the necessary but very extensive and exceedingly laborious calculations, he would probably be able to prove that Germany's industrial success is due chiefly to cheap transport, and especially to the wise development of her waterways.'

"Well, Sir, we find in paragraph 187 of the Secretary's memorandum that only a sum of 2⅔ lakhs of rupees has been provided for the Madaripur Bheel in the Faridpur district. The provision is wholly inadequate. Many of our rivers—I am speaking of Bengal, and I am sure what is true of Bengal is true of the rest of India—many of our rivers are fast silting up and need dredging. My Hon'ble friend on the left, Maharaja Ranajit Singh, has been urging in the Local Council the need for dredging the Bhagirathi river. The silting up of these rivers is a serious matter, even from the sanitary point of view; as it obstructs drainage and constitutes a menace to the health of the surrounding country. Therefore, Sir, from whatever point of view you choose to view the matter—from the point of view of sanitation, of public convenience or of the development of inland trade—it seems to me that the maintenance of our waterways in a state of the greatest possible efficiency is an Imperial duty of the utmost importance and magnitude; and I desire to press this consideration upon the attention of the Government of India with all the emphasis that I can command.

"Sir, we find that the Government of India have made grants of a non-recurring character out of the surplus of this year. I hope, Sir—and I have reason to believe—that that surplus will be recurring. An analysis of the situation fortifies me in this hope. Sir, the railway revenue has of recent years developed a distinct tendency to grow and expand. From 1909 up till now there has been an increase in railway revenue year after year at the annual rate of from 2½ to 3½ million pounds. I cannot help thinking that the Finance Minister has been exceedingly cautious—I was going to say over-cautious—in his estimate. He has actually put the revenue of 1913-14 at 90 lakhs of rupees less than the revenue of this year. My countrymen do not share this pessimistic view. Railway revenue depends upon trade conditions as well as upon social causes working in the bosom of the community. So far as trade conditions are concerned, I am not competent to speak, and I think very few are in a position to make a confident forecast. But so far as these social causes are concerned, I may say this, that the greater the facilities offered by the Railway Administrations, the greater the attention paid to the comfort and convenience of railway passengers—especially of the third-class passengers, the greater will be the volume of passenger traffic; and if passenger traffic goes on increasing, the goods traffic is bound to increase too. The one will re-act on the other, and by their mutual interaction strengthen each other. I am therefore optimistic in the view that the railway receipts are likely to grow and expand year by year. And, Sir, if the surplus is a recurring surplus, as I believe it

BUDGET.

[24TH MARCH, 1913.] [*Babu Surendra Nath Banerjee; the President; Malik Umar Hayat Khan.*]

will be, it seems to me that the best, the wisest, the most economical thing for Government to do is, instead of making these non-recurring grants, to revise the provincial settlements and to give the Provincial Governments a larger share in the expanding revenues. This is the view which was urged by Sir William Duke on behalf of the Bengal Government from his place in the local Legislative Council."

The President:—"I am afraid I must ask the Hon'ble Member to stop as his time is up."

The Hon'ble Babu Surendra Nath Banerjee:—"Just one word more, Sir."

The President:—"I can make no exception."

The Hon'ble Babu Surendra Nath Banerjee:—"Sir, I just want to say one word."

The President:—"Order, order."

The Hon'ble Malik Umar Hayat Khan:—"Sir, while congratulating the Hon'ble the Finance Minister for the present surplus Budget, as well as the previous ones, one begins to think that his personality and prosperity of India are coupled together, and are one and the same thing. We pray that he may be spared for India for a much longer period than the orthodox limit of five years.

"I think some of the members would have read my Budget speech two years ago. I read it the other day after two years, and find that my views instead of having altered have been more confirmed in the same direction. I will ask Hon'ble Members who have not read it, to read it as a supplement to the few words that I am going to say to-day. I have been lucky to find that most of the things that I had suggested, at the end, the Government found it necessary in consistence with circumstances to adopt. I will give some interesting illustrations. In my Budget speech some four years ago, I ventured to suggest, for the consideration of the Government, the advisability of a commission to investigate and alter the system of education. The following year a separate Department was created which was far more useful for the purpose than even what I had suggested. The same year I had brought to the notice of the Government the expediency of the amendment of the Indian Penal Code, as well as the adoption of some severe measures for punishment of offenders against the State, and the grant of greater powers to the Criminal Investigation Department of the Police. I will quote the paragraphs respectively:—

'(1) The first of them is that there is a change most necessarily required of making such alterations in those sections of the Indian Penal Code which deal with the offences against the State as to make them more stringent, and I think the Government will have to do this sooner or later as a preventative measure, and I hope it will not wait as to be able to make a strong case by giving illustrations.

(2) I strongly urge that we should award severe punishments to the State offenders and for the suppression of open and subterranean currents of sedition.

(3) I should ask the Government to be still more liberal in increasing the power and scope of the Criminal Intelligence Department.'

"These are exactly the measures which Government has after four years' experience of what is going on in India to adopt by passing the Indian Penal Code and Criminal Procedure Code Amendment Bill. The succeeding year, in my Budget speech, I had alluded to the necessity of the change of capital to a more central place, and now I am glad to find ourselves in Delhi. I had said as follows:—

'(1) The rest of India, my Lord, cannot understand why a place like Calcutta, situated in a corner remote from England and with a bad climate, should have been selected as the capital of India.

I think it will be only fair, when funds allow, to select as the metropolis of this country a city which will be up to some extent at an equal distance from the remotest parts of this vast continent.'

"Sir, I have only invited the attention of those who are responsible for the administration, to my previous speeches because when I have once submitted a measure for the consideration of the Government, I don't think it right to repeat my suggestions. On this occasion I have got two suggestions to put before the Hon'ble the Home Member, and they are:—

'(1) Some measures are necessary to check the seditious preachers under a disguised garb.

(2) To punish the papers whose line of policy is to criticise the Government in and out of season and by a long process to poison the minds of its readers, far more effectively than by one or two extremely seditious articles which has the inevitable effect on some minds to resort to violence and treason. I hope the adoption of these measures will not take another four years.'

"I will now touch certain subjects generally. I advocated two years ago the necessity of moving towards forming ærial and naval fleets for the efficiency of the Army. I have only said it again because circumstances have since been entirely altered. At that time the air craft was in its infancy, while now it is an accomplished fact, and I hope that, if funds be available, they should be placed in the hands of our mighty War Lord who by his sympathy and ability has not only won the hearts of the Indian soldiers, but has done a great deal towards the efficiency of the Indian Army.

"Turning towards education I would suggest, for the consideration of the Hon'ble Member in charge, that it is most essential to establish schools in central places from where the army is recruited as I hitherto find that there are a greater number of schools where the commercial classes reside. Perhaps this is because they have got much greater voice than that of the soldier class.

"It is well known that the Muhammadan College at Lahore is doing useful work as well as the schools attached to it. I have heard from authorities that it is not working properly. May I say this to the Hon'ble Member in charge that just as a man cannot live without food, so a College cannot get on without funds. I cannot understand why any other Muhammadan College, wherever it may be situated, should get better treatment than the one which is in the Punjab. I do hope that the Hon'ble Member in charge would give it a helping hand.

"I ask him also to allot money for its sanitation as the Sanitation Department is also under his sway.

"I now put before him a very urgent need and that is religious education. If a man is not taught to respect his God, there is no wonder if he does not respect his parents and Government. We have tried this experiment in the Chiefs' College with excellent results. I will not say anything about the technical and other education as it is already receiving the best possible attention of the Government.

"I have been a great advocate of the zamindars as I represented them last three years. As this duty is now devolved on the other Hon'ble Member, I will be saying a word on my personal behalf for their welfare. As to the un-even taxes of a landholder and money-lender, his being troubled by petty officials, the short period of their settlement, etc., has been urged by me in my recent speeches, but there is one thing that I want to say now and that is, that if a man possesses a certain amount of land which does not bring him an income of $\frac{1}{4}$th of the wages of an ordinary labourer, such a small holding should be exempted from any Government dues in the shape of revenue otherwise he will be treated worse than even a cooly.

"To decide the amount of land is not very difficult, as the product and value, etc, are always worked out at the time of settlement. I think the amount of water in most of the Punjab colonies is far less than needed and people are very much alarmed at its further reduction which will cause not only the loss of income to them but also a great discontent. I hope something would be done to remedy it. I would also strongly urge the necessity

BUDGET.

[24TH MARCH, 1913.] [*Malik Umar Hayat Khan; Sir Charles Armstrong.*]

of improving the accommodation of 3rd class passengers, and hope that some improvements will be made to provide legitimate comforts for them.

"The service between Delhi and Peshawar is unsatisfactory, and still more so from Lahore to Peshawar. As the capital has now been shifted to Delhi, I think the defects in railways in the near neighbourhood should disappear. As the distance by sea from Aden to Karachi is shorter than that from Aden to Bombay, the distance from Karachi to Delhi is shorter than Bombay to Delhi, it will be most essential that all the mails should come by Karachi. This would have to be done one day, and I think the sooner it is done the better. I was glad to read that the questions of arrivals and departures of Delhi Trains are being considered. Therefore I will say nothing on that subject. I think it should be impressed on Railway officials, that when an Indian has got 1st class ticket he must be provided with a seat in the same compartment. It has been experienced over and over again that though there may be only one or two Europeans in one compartment, they try to do their best to keep out the Indian who has every right to a seat.

"Though I am not an expert but when I had prepared to appear before the Decentralization Commission, I had suggested that there should be no Imperial heads of revenue, nor should there be any grant to the Province, each Province should be self-dependent, and there should be only a contract of a fixed lump sum to be annually handed over to the Supreme Government for Imperial requirements. If this could be done, which I know is already done to a great extent, it will further simplify matters.

"I had some time back put before the Council as to the shortness of time given to members to form their opinions about certain legislative measures, and as this has been again the case, I bring it to notice again. Now there is one very serious thing which is felt by many a non-official heart, and that is that our existence and non-existence here has very little difference. I think the cause of it is the pre-arrangement of what is to be done, and when a man is urging and making a speech he thinks that he is talking to a wall and his best arguments would not have the least effect. The other cause has been, I think, the wholesale refusal of good and bad amendments. I think this can be easily remedied. If the non-official members were near the mark and by accepting their suggestions there was no injury done to the administrative machinery, then I think such suggestions should be accepted. This will go a long way to show that we are not only part and parcel of the Government, but we are of some use to them. That will give us an impetus to work with a greater zeal for the good of the country and its best Government which it has ever posssessed under the Sun and for whose welfare we all work and pray.

"Last but not least my suggestion is the weeding out the weeds, that is a small percentage of Civilians who have entered the service but are entirely incapable of administration. From their isolated deeds the masses are mistaken to form their opinion regarding the whole Government policy. As a matter the smallest square pieces in round holes of the machinery go a long way in hampering the working of the whole machine. The public money would be far better spent if such men were given pay till the pension period without allowing them to make a muddle of things. I have taken the courage to put this before the Government from a very high sense of duty which equally affects the public and Government."

The Hon'ble Sir Charles Armstrong:—"I desire, Mr. President, to offer a few remarks on two subjects only—Railways and a Gold Coinage—and as regards the former I regret the unsatisfactory character of paragraph 33 of the Financial Statement. It is, I think, very easy to be over cautious. Caution is always advisable, but if this matter was really regarded 'as a strictly business proposition' and these are the words used in paragraph 33—a scheme would surely, ere this, have been put forward to raise money for investment in an enterprise which in the current year has returned as much as 5·89 per cent. and in the three years previous an average of nearly $4\frac{3}{4}$ per cent.; and as this is an all-over rate, the return on the main lines carrying the trade of the country must have been much greater. As a business proposition even if the money be raised at 4 per cent. the return on the whole system is satisfactory and in the hope —I might also say with the certainty—of something better during the next few years, a business man would strain every nerve to increase his wealth by investing more money in the undertaking. For the coming year thanks to ample

balances, a larger grant has been given; but if 12 months hence the balances are reduced as forecasted in the Financial Statement, railways in 1914-15 will have to look elsewhere for funds, and although supplies will no doubt be obtained from other sources—but whether sufficient or not time alone will show—the feeling is that so far as Railway Finance is concerned, there is no settled plan and that this is a most unfortunate position to be in. If the seasons are good and money flows in, Railways get an increased grant, although it may come too late to be spent, but if the reverse is the case, it is urged that there are no funds readily available, and the serious check to development that then takes place affects the trade and prosperity of the years to come. I do not think Chambers of Commerce are unfair critics in this matter. One can sympathise with merchants and shippers, many of whom have known for years that the railways were being neglected, when in a year of exceptional plenty trade is more or less completely disorganised by the inability of the railways to carry the traffic expeditiously. I admit that during the past year the railways have carried immense supplies, but when the pressure came it was obvious at once that the carrying capacity of the lines was deficient, and if it was excess caution that has kept development back the last few years, I can only say that the country has suffered for it; merchants have suffered for it and much trade has been lost. The President of the Railway Board told us the other day that the policy of the Board was to go on steadily improving existing lines, great care being taken at the same time that good value was obtained for the money spent. This is, of course, as it should be, but if money is stinted what can the Railway Board do?, and it is to this point of providing ample funds over a series of years that the commercial community are now so very anxious that special attention should be given. I felt sure there would be something in the Financial Statement bearing on this point, but what we are told is, that even temporarily, that is to say on the chance of an occasional bad season, our Railways must never be allowed to become again a burden on the general taxpayer, and to ensure this our expenditure on this rapidly growing business is apparently being kept within bounds merely, it seems, to prevent a small loss every now and again. The profit that might be made in prosperous years by increasing expenditure is, however, overlooked, and I feel sure, I can say with safety, that the average would always be a very satisfactory return.

"From the Financial Statement itself it is gathered, I much regret to say, that the total Budget Grant for Revenue expenditure on Railways in 1913-14 has been cut down considerably below the amount which the various Railways have put forward as necessary for their requirements, and this led me on the 14th to send up three questions on the subject, which most unfortunately arrived too late. Any step of this kind means a reduction in the Revenue provision for works, and has the effect also of reducing the capital expenditure as well. Surely this is not the time to curtail expenditure on works of improvement chargeable wholly or partly to revenue intended to increase the carrying capacity of the Railways and moreover as stores for works in 1913-14 have already been arranged for; if work is to be curtailed interest will have to be paid on the value of the material which cannot be drawn and utilized, and this creates an unfortunate position. I feel bound to say that, as regards methods and expenditure on Railways, the position is unsatisfactory, and this being so Chambers of Commerce must continue to urge, by all means in their power, that the Railway systems of the country shall be brought up as quickly as possible to a thorough state of efficiency.

"As regards a gold coinage, I desire in the first place to offer my warmest congratulations to the Government of India on their Despatch of 16th May last on the subject of the *establishment* of a Mint for the coinage of gold in India. The arguments advanced in favour of the coinage of gold appear to me to be overwhelming. It restores to our gold standard policy an essential principle which has been too long neglected when it says 'it is, we think, an indisputable fact that the establishment of a gold currency was regarded as the logical and natural sequence of the closing of the mints to silver, and as the necessary accompaniment of the establishment of a gold standard'; and in a short historical survey of the opinions of the Herschell and Fowler Currency Committees, and of the intentions of both the Government of India and the Secretary of State following on the reports of those Committees, it is clearly demonstrated that a gold currency was regarded as, and intended to be, the

BUDGET.

[24TH MARCH, 1913.] *Sir Charles Armstrong.*]

natural result of the introduction of the gold standard. It is of the utmost importance that that principle thus authoritatively laid down and accepted should be made effective. From a purely scientific point of view, I believe, the principle is unassailable. From a practical working point of view, it may be admitted that difficulties had to be met and overcome, but we now know from the correspondence which has been published that the chief difficulties which blocked the way to the provision of a gold coinage in India at a much earlier date were created by authorities in England. Apart from those obstacles there would probably have been difficulties to overcome in India at first in getting gold coins produced from an Indian Mint to pass into circulation with sufficient facility to obviate the coinage of token rupees on a large scale. That difficulty still remains so far as a large portion of the country is concerned; but another difficulty to the effective establishment of a circulation of gold has been added because of the enormous additions to the token coinage in the interval. That is a situation which must be accepted and faced however much we may regret it. But it affords no excuse for a continuance of the policy of drift of which it is the off-spring. We cannot retrace our steps and begin afresh. But we can determine that for the future every effort shall be made to minimise further inflation of the silver coinage and to encourage instead the use of gold in the circulation, and to that end recognition of the principle that a gold currency, in the words of the Despatch, is the necessary accompaniment of the establishment of a gold standard, is the first step, and the opening of a Mint to the free coinage of gold is the next. Efforts have been made in various directions to make it appear that the Government of India have been directing their energies to the establishment, not of a gold standard, but a gold exchange standard. It is a matter for congratulation to the whole community to find nothing in the Despatch which countenances such a preposterous idea.

"I have said that the principle I have been referring to has been too long neglected. The consequence has been that the token coinage has been added to, in the words of the Indian Correspondent of the 'Times,' to an extent beyond all sense of balance and proportion. The Despatch brings out in bold relief the disabilities of such a system when it emphasises the importance of the responsibilities which rest upon Government for the maintenance of the gold value of the rupee, notwithstanding the fact that Government do not undertake to give gold for rupees That is a responsibility which appears to be lightly regarded in many directions, but it is satisfactory to find that the Government of India labour under no illusions respecting it. They admit that although the crisis of 1907-08 was safely tided over, the lesson went home that they must vigilantly aim at strengthening their gold position. They suggest that the situation which arose in 1907-08 may be experienced again, and the difficulties then encountered may on another occasion be much accentuated. No responsible person will venture to dispute that, when it is remembered that the vast additions to the token circulation have been made as the result of, and to carry, booming trade at high prices, and when the changing habits of the public in the matter of currency, referred to in the despatch, are also taken into account. The extent of the responsibility is an unknown quantity, while the measures taken to enable Government to meet it cannot be regarded as sound. Those measures take the form of reserves formed from the profits on all new silver coinage only—there being no separate reserve against the very large rupee circulation which existed before the change of standards. Those profits are of necessity of a fluctuating quantity—the greater the silver coinage requirements, the higher the price of silver will be forced, and consequently the smaller will be the profits to go to the reserve. The tendency is thus towards a minimum of reserves against the maximum of responsibility. As the liabilities increase the proportion of reserves tends to diminish. On the face of it that is not sound business. Under such circumstances it is not surprising to find Government saying 'we are driven to the conclusion that our only possible policy is to base our standard on two sure foundations, adding gradually to the reserve of gold in England an effective gold currency in this country.' The Secretary of State found the chief result anticipated from the proposals contained in the Despatch, would be to attract to the Mint bullion now held in India. I venture to think that it would have been more correct to say that the

chief result anticipated by the Despatch was to 'diminish the pressure on the Government of India for the coinage of silver' and to 'keep down the heavy responsibility that rests on them for the convertibility of the rupee.' But in any case the necessity that Government should take measures to lessen as much as possible that responsibility appears to me to be the paramount consideration.

"It is a matter for regret that the Secretary of State does not appear to have received the proposals of the Government of India with the consideration which, I humbly think, was due to the proposals as a whole and to the supporting arguments. The conclusion he reached was that, having regard first to the ease with which holders of gold bullion in India can, as a rule, exchange it for currency whether sovereigns, notes or rupees, if they wish to do so, and secondly, to the probability that the gold imported into India is so imported because it is preferred in that form rather than in that of coin the adoption of the proposals would not be likely to have any considerable effect of the kind anticipated, but that the experiment is worth trying if it can be done at a moderate expense or on a self-supporting basis. Now I venture to say that the very worst thing that can be attempted in connection with the currency is that some action should be openly taken by way of experiment, and no more undesirable object of experimentation can be imagined than an open mint for gold. The arguments of the Government of India prove the absolute necessity for a gold coinage in India. Why, then, agree to open the Mint to gold and brand it with the repellent name of an experiment before it is born? That is not the way to inspire confidence in the minds of the public in such an important matter. A gold Mint being a necessity it should be opened to remain open, and every effort should be made to ensure that the new gold coinage shall be a success in the circulation. The Secretary of State would further make the opening of the Mint to gold conditional on it being done at a moderate expense or on a self-supporting basis. The Government of India Despatch had stated 'the objection that the sovereign would be an expensive coin is one that carries little weight.' The actual minting of the sovereign is, we believe, comparatively simple and cheap, and the cost of making the necessary additions to the present equipment of the Bombay Mint would be inconsiderable. The matter of expense does not appear therefore a material consideration. It is, I take it, unlikely that the minting of sovereigns would place the Mint on a self-supporting basis if the intention is adhered to not to charge a seignorage on minting.

"Also in view of the seasonal trade of India and the import of gold in satisfaction of the Indian trade balance occurring as a rule only during a portion of the year there might not be constant employment for the Mint. But place against any loss that may arise on that account the great responsibilities thrown on Government by the existing system, and I think the possible loss will be regarded as diminutive. The Secretary of State has himself undertaken to borrow if necessary to maintain the gold value of the rupee. An effective gold currency would greatly reduce his liability in that respect. Is it not worth securing such a reduction at the comparatively small cost of maintaining an open gold mint?

"Although, however, the Secretary of State is not, apparently, favourably disposed to the opening of a Mint for the coinage of sovereigns, he is prepared to sanction the coining of an Indian gold coin of the denomination of, say, ₹10, but here again he places obstacles in the way by making his sanction subject to a charge for seignorage, and to the expenditure to be incurred for buildings, plant and additional staff. The Government of India had proposed that no seignorage should be charged for the coining of sovereigns. The counter-proposal is to charge a seignorage on the minting of an Indian coin. It seems a penny-wise-pound-foolish policy to seek to obstruct the establishment of a gold mint on the score of expense, which can hardly be very heavy, when we reflect that the gold standard has been of immense benefit to India, that a gold coinage is a necessary part of the gold standard, and that if a gold coinage had been introduced years ago as intended, and the attainment of a gold currency had been steadily pursued in the interval, the currency would have been on a much more satisfactory footing to-day, and the contingent liability on the token coinage much reduced.

"In his speech introducing the Financial Statement, the Hon'ble Sir Guy

BUDGET.

[24TH MARCH, 1913.] [*Sir Charles Armstrong.*]

Fleetwood Wilson seemed to indicate that, to begin with, a special Indian coin would be struck at the mint in place of the sovereign which was contemplated, in the Despatch of the 16th May. I should like to ask him, on the supposition that the Mint will strike only an Indian coin, whether, in the event of sovereigns continuing to arrive in volume greater than the absorption into the active currency of those coins, Government would convert sovereigns so received into the Indian gold coins contemplated? The Despatch of last May only dealt with coinage from bullion, but it might be necessary to coin from sovereigns if these continued to arrive in excess of the absorptive powers of the active circulation. Also it appears to me that such conversion of sovereigns would be necessary to begin with by way of send-off to the new Indian coinage, and to provide the treasuries throughout the country with the means of familiarising the public with them. The object being to establish an effective gold coinage, it seems necessary to encourage the use of gold in every possible way, and encouragement to be of any practical value must be accompanied by supplies of the new coins in sufficient volume to prevent them from being regarded as mere specimens only. Also, measures are necessary to gain the confidence of the general public that they will not be losers by taking the new coins. One of the greatest obstacles to the sovereign attaining popularity is that the poorer classes fear a loss when they come to exchange it for rupees, a fear which is not groundless when to many the only means of exchange is at the hands of the sowcar. Government can improve the prospects of the success of an Indian gold coin by making as wide provision as possible for the conversion into rupees of gold coins to the poorer classes at treasuries, post offices, etc. On this point I think the proposals so far announced are defective. It will not be enough to merely open the Mint to the coinage of gold and pay no attention to the encouragement of the use of the gold coins to be struck. No one will advocate forcing the coins into circulation, but there are many ways by which the use of, and the circulation of, gold coins can be facilitated. The object ought to be to endeavour to minimise further additions to the token coinage by facilitating the use of gold to take the place of fresh silver coinage, and it would be of advantage to know what measures Government propose to take in this direction. A great deal is being heard of the fact that Government did not formally refer the question of the opening of the Mint to gold to Local Governments, Chambers of Commerce, etc. It seems to me, however, that Government are now proposing only to complete the gold standard policy on the lines originally laid down and accepted. It would be the height of incongruity to introduce a gold standard on the recommendations of one set of authorities, and make the most essential features of that policy dependent on the approval of a separate set of authorities In this connection I would bring to the notice of the Council a shipment to London of over £600,000 of light gold coin which could have been dealt with in this country if we had a gold Mint. I hope this question of an open gold Mint for India will be properly investigated by the Royal Commission to which however India must be properly represented and before which competent Indian witnesses must be examined.

"Sir, I was also unfortunate, I regret to say, in sending up too late various questions on financial matters which seem to need an answer at the present time. My limit of time does not permit me to deal with them on this occasion, but it will be interesting later on to learn the original intentions of Government regarding the 5/4 crores of profit (less cost of manufactures), on the silver purchases of last year, whether the amount coined from this did not increase the silver branch of the Gold Standard Reserve beyond the maximum formerly fixed of six crores of rupees, and if so, why the surplus was coined and not carried to this Reserve? Also why it is necessary to maintain the silver branch of the Gold Standard Reserve in view of the large reserves in gold belonging to the paper currency reserve now held in London.

"In conclusion, Sir, I desire to congratulate Sir Guy Fleetwood Wilson on his successful management of our finances for the past five years, and to express my regret that this is his last Budget and that his work in India is now drawing to its close. Sir Guy has had critical times to contend with, and it must be very gratifying to him to feel that his last Budget shows a big surplus, and that prospects for the future are very hopeful. Sir Guy's personal contact with the commercial and banking communities has been very much appreciated on

BUDGET.

[*Sir Charles Armstrong; Rai Sita Nath Roy Bahadur.*] [24TH MARCH, 1913.]

my side of India. We much regret his departure, and can only hope that his successor, whoever he may be, will be equally accessible."

The Hon'ble Rai Sita Nath Roy Bahadur.—"Sir, though remarks and observations made on an occasion like this are somewhat akin to what are called as mere expressions of pious hopes and cannot have the same effect as Resolutions formally moved in Council, I respectfully beg to submit that as no Resolutions, since the power was given to move Resolutions in Council, have, with the solitary exception of one or two perfectly innocuous ones, ever been accepted, the general effect of formulating and moving Resolutions and of making general observations, is exactly alike, that both of them leave a certain impress upon the official mind and occasionally may and do fructify and produce a goodly basket of sweet mangoes or other delicious fruits, but not as so humorously put by the Hon'ble Finance Minister, from the garden of an Indian gentleman, but from the garden of the Government of India.

"This is, Sir, my excuse for making a few observations. Now, I begin with offering my hearty and respectful congratulations to the Hon'ble Finance Minister for the very satisfactory Budget he has placed before us, and for the unexpectedly large surpluses he has presented, and the beneficient objects, such as sanitation and education to which he has been good enough to devote the greater part of the unexpected windfalls, for which the thanks and gratitude of the Indian public are pre-eminently due to the Hon'ble Finance Minister, and the same good luck still adheres to India, has been demonstrated by a small surplus of £1,311,200 declared for the year 1913-14. But our jubilation on account of this temporary prosperity is very largely tinged with the sad thought, that we are going to lose for ever the valued services and the ripe experience of a Finance Minister who combines in himself with the several qualifications of the head, numerous qualifications of heart as well. Capable and qualified Ministers of Finance may come and go, but where shall we have again a man so courteous, kindly, so just and sympathetic? What is more saddening is that with the loss of his services we lose the Hon'ble Sir Guy Fleetwood Wilson altogether, and necessarily the benefit of his advice, experience and guidance, for it is the characteristic of Indian official life that when the fever of Indian official life ceases life in India, as a matter of course, ceases with it. It is something like the recovery of the proverbial Tom from fever, that when Tom's fever went away, Tom himself went off with it.

"There is another thing which is causing us a good deal of anxiety. Though we rejoice over our temporary prosperity, over our unusual and extraordinary windfalls, we are saddened by the thought that these are only temporary, and that it is not unlikely that we may have to meet a heavy deficit in the near future. We are face to face with the total extinction of the opium revenue which yields every year without any hitch or difficulty the magnificent sum of 5 million pounds more or less. We are called upon to submit to this huge sacrifice for a sentiment, in the name of humanity, and that for the benefit of another nation. The arrangement which would entail such a heavy sacrifice was all made at the bidding of the ruling country, for the sole benefit of a third party to which India was not a consenting party, and as such, it is only fair and reasonable that England for the good reputation of her sense of justice, sense of fairness, and injustice to her dependency which is absolutely dependent on her, should come to her rescue and recoup the loss, or if that is not to be, should at least allow India sufficient fiscal autonomy so that she may adjust her finance in a way most suited to her advantage. England was once a protectionist herself, but now the pendulum has swung back and she is now a free trader, and it does not suit her interests to impose protective duties, but is that any reason why India, if additional taxation becomes necessary consequent on the approaching extinction of opium revenue, should not be allowed to levy protective duties on manufactured goods such as cotton goods, hardwares and numerous other things that are imported at least from foreign countries, such as Germany, France, Austria, Belgium, America and Japan? The imposition of such duties would be immensely advantageous to India in several ways, such duties will not only bring in money but at the same time go to protect our nascent industries. It is said that fresh taxation may not be necessary consequent on the extinction of the opium revenue, but whether that is so or not

BUDGET.

[24TH MARCH, 1913.] [*Rai Sita Nath Roy Bahadur.*]

it is an admitted fact that India requires money for a variety of purposes and objects, such as elementary education, technical education, sanitation, water-supply, etc., but where is the money to come from? It would indeed be indulging in an extravagant hope to expect compensation from England, but India should at least be allowed to adjust her finance, and to levy taxes in a way most suited to her interests and which at the same time would not materially and prejudicially affect the interests of the Ruling country, but what could be more fair and reasonable, more conducive to the interests of India, than that she should be allowed to levy as proposed by the Hon'ble Mr. Sri Ram the other day, a duty of 5 per cent. on imported sugar which wholly comes from Java and Germany, it would not only add to our not very overflowing coffers a very large sum of money, but would at the same time go to materially help in the revival of a dying industry, and to stimulate it. At one time, and that not long ago, sugar was a very important and paying industry in this country. Besides meeting the whole requirements of India, a large quantity used to be exported abroad, and it necessarily gave employment to several hundred thousands of people, but that is gone; the sugar industry is nearly extinct, it having been superseded by the bounty-fed beet sugar from Germany, and that exported from Java, if not so much for revenue, at least for promotion and protection of our decaying and decayed industries, we badly want protective duties, but that is not to be, for we are helpless, and we have no right to exercise our judgment, and judgment we have none.

"I regret to have to state that it is in a manner useless for us to discuss questions of finance, as in all matters relating to finance we are to be governed by the will of the Ruling country and the policy she may pursue, all such discussions can only serve to show the trend of our feelings and nothing else. However, I may incidentally remark that it will require no small efforts, no little exercise of ingenuity to replace the heavy loss that would be caused by the total extinction of the opium revenue. The reply is often given. 'Trust to God, He will give you the relief.' The near extinction of the opium revenue is a disturbing factor of no mean magnitude, and will go to unsettle and prejudicially affect the financial arrangements of the country. It is therefore very opportune that a Royal Commission has been announced, the main object of which will be to inquire into the present state of the finance of the country. Sir, may we venture to suggest in this connection that the Government of India would be pleased to recommend to His Gracious Imperial Majesty the appointment of one or two non-official Indian gentlemen in the proposed Commission.

"Now, returning to our original subject of temporary surplus and the very large non-recurring grants liberally made to education and sanitation. I beg to point out that, while we cordially welcome these large additions to such noble objects as education and sanitation, it must be admitted on the other hand that fitful generosity and spasmodic efforts of charity cannot do much good of a permanent character, cannot have lasting effects on matters so vast as education and sanitation, concern as they both do a population of 300 millions and a country comprising an area of 1,770,109 square miles, the requirements of which must necessarily be varied and various and large and comprehensive.

"Now adverting to Bengal with which I am so closely associated, I beg to point out that its sanitary and educational requirements are indeed very large. Now that Bengal has been shorn of more than half of its former area, there has consequently been a reduction of receipts from different sources. The Hon'ble Sir William Duke, in presenting the Financial Statement of Bengal for the year 1913-14, frankly admitted that after meeting the ordinary recurring charges which amount to 5·63 crores of rupees a year, 11 lakhs of rupees per annum is all that is left to meet non-recurring charges, and consequently if the Government of India had not treated Bengal in a very liberal and generous spirit, by making large and liberal grants, both recurring and non-recurring, many departments would have been starved, and Bengal would have been placed in an awkward predicament.

BUDGET.

[*Rai Sita Nath Roy Bahadur.*] [24TH MARCH, 1913.]

"It is well known that malaria and cholera are the two greatest scourges of Bengal. If these two terrible scourges are to be uprooted, persistent, continuous and sustained efforts should be made to combat them. Considering the present not very solvent financial condition of Bengal, and while its varied needs and requirements are so large, it won't do for Bengal or any other large province to be dependent on the fitful doles of charity of the Supreme Government. In my humble opinion, instead of unsteady non-recurring, recurring grants of more or less permanent character and of a substantial nature, that is, fixed and tolerably large annual assignments should be made by the Government of India, at least for some years to come, to enable Bengal to tide over her difficulties, to enable Bengal to save her people from the scourges of malaria and cholera, to enable her to satisfy the intellectual cravings of her advanced and progressive people, and in fact to enable Bengal to make two ends meet. Her present embarrassed position is not of her own seeking, but has been thrust upon her against her will. With the abandonment of Calcutta as the seat of the Imperial Government, Bengal has been materially and prejudicially affected. It was in Calcutta that the British power was first established and consolidated, and it was from there the British Empire gradually expanded until it grew into a mighty one, and I may add, the most magnificent in the world, embracing within its fold that vast, extensive territory extending from the confines of Afghanistan to those of Siam, that Calcutta, the fairest of the fair, and the Queen of the East, and which is entirely the result of British enterprise, now lies forsaken and neglected, and she has been dethroned and the diadem which so long adorned her brow has been taken away.

"It is not the transfer of Capital alone, but along with it variety of adverse circumstances have combined together to depreciate Calcutta, and to detract from her importance and dignity and in all possible ways to prejudicially affect her interests as well as those of Bengal. Calcutta is gone, but her glorious traditions will last.

"But enough. I must restrain myself, for as a loyal subject, I must bow to the decision of His Gracious Imperial Majesty. Now returning to the subject of the very generous but non-recurring grants of 5½ crores of rupees, made to different provinces and for different objects, I humbly beg to make a suggestion which I do with the utmost hesitancy that the 2½ crores of the above amount which has been ear-marked for education in general, might with advantage be solely and wholly devoted to, and ear-marked for, the establishment of a Technological college at a central spot, and that the whole amount of 2½ crores might be utilised in constructing suitable buildings and in equipping it with suitable laboratories, and that the Supreme Government should annually make a recurring grant of, say, 15 lakhs of rupees a year for the efficient up-keep of such an institution.

"My reasons for the above suggestion are as follows :—

"Non-recurring grants of 2½ crores of rupees though apparently very large, cannot do much good which will have a lasting effect when we come to consider that the amount is intended for all branches of education and for all the provinces, big or small, throughout India, whereas if utilised for a single object of permanent character, for the benefit of the whole country as I have suggested, that is, in establishing a Technological college, for the whole of India, its results and benefit would be palpable, large, and at the same time lasting, and it would be more appreciated by the people themselves than otherwise.

"Sir, I venture to assert that all shades of opinion will unite in hailing the establishment of a Technological college, as a lasting and substantial boon. With the near extinction of opium revenue, such a large surplus is not likely to occur very soon. I do not deprecate elementary or higher education, but what I do say is, that mere literary education in the present state of our country is certainly less beneficial in its effects upon the people than technical education. If a plebescite were taken, I think the whole country would

BUDGET.

vote for it. The question of technological education was discussed threadbare in this very Council about three years ago, when Rai Bahadur Mudhalkar moved a Resolution for the establishment of a centralised Technological college in India. I need not repeat the arguments that were used in support of the scheme.

"Now a word or two about the public works cess which has a history of its own. It is well known that the resources of our district and local boards are so limited that they can hardly cope with the several heavy obligations from the excavation of tanks down to cattle breeding that have been thrown on them. The road and public works cesses in Bengal and other local cesses elsewhere which go under different denominations in different provinces, were levied for particular objects and assurances were then given that they would be religiously applied to the objects for which they were levied, but we are all aware how in Bengal the public works cess was diverted and appropriated to totally different objects. However thanks to the sense of justice and fairplay which are the inherent characteristics of the British Government, and thanks also to the patriotic efforts of the Hon'ble Mr. Gokhale, the enormous sum of 79½ lakhs of rupees has at last been most generously set free and remitted to the several provincial Governments, and thus the district and local boards in Bengal will get the benefit of a new accession of revenue to the extent of 25 lakhs of rupees to their not very overflowing funds, which will enable the district boards to materially help the rural areas in the supply of pure drinking water and sanitation, the two objects of the greatest importance to them.

"Before concluding, I wish to say a word or two about the gold coinage and currency. The question of the gold coinage and gold currency in this country has been before the public for a very long time, and has been discussed threadbare. Nothing fresh or interesting can be added to its already vast and voluminous literature. Two things stand out very prominently in this controversy, first, whether it is good for India to have gold coins and gold currency, second, whether people themselves would appreciate it and take to its use. All other questions are beside the point, and need not be taken into serious consideration. Now, it has been proved beyond doubt that in the circumstances prevailing at present, when India has to hold commercial intercourse with other gold-using countries, and, moreover, when gold is locally procurable, it is to her utmost benefit that she should have gold coinage and gold currency, specially when she has set up a gold standard. Then about the second point, I may say that the fear, if any, of the melting pot and of the vaulted or buried hoards, is now no more. It has been acknowledged by the Government and proved by incontrovertible facts and figures that the habits of the people have changed and are changing very rapidly, and they like to use a handier currency than silver. I do not understand the morbid care and anxiety of a certain class of politicians and economists who have gone almost mad over the idea that what will become of the world if India now begins to attract and use gold, their fear is that gold would be absorbed and not be brought back into circulation. I may console them with the assurance that the story of hoarded and buried wealth is an absolute myth. Then our request is very modest. We do not advise Government to rush headlong into the matter, let us proceed cautiously. Let us have a free, open mint for the coinage of gold. That is all we want; then about the kind of coin to be adopted in this country, that is a matter of detail. I think sovereign is the best, it has been happily described by Sir Shapurji Broacha as the cement of the Empire. I may say here in passing that it is forgotten by the so-called foreign experts that we had our gold coinage before the advent of the English in this country. India still remembers her past and aspires to rise again in the scale of nations under the ægis of British rule, and I do not understand why unnecessary obstacles should be placed in her way to achieve her legitimate desire and when that desire is backed by incontrovertible facts. However, in spite of all our trials and troubles, I hope we are in sight of the promised land at last.

BUDGET.

[*Rai Sita Nath Roy Bahadur; the President; Mr. Fuzulbhoy Currimbhoy Ebrahim.*] [24TH MARCH, 1913.]

"We had hoped that the political outlook which was so sad and dismal some years before, would very soon clear up and bright prospect would dawn, bringing joy and restoring peace and order in this ill-fated land, but that is not to be. The abominable and dastardly outrage of the 23rd December last, that that day of India's lasting shame, which has cast an indelible stain on her fair name and fame and the reports of the weekly dacoities in Eastern Bengal and the recrudescence of other crimes of more or less heinous character, have aggravated the situation, and rendered life and property insecure. Sir, one of the greatest blessings of British rule, the much-prized security of life and property, is no more and a sense of insecurity and uneasiness pervades all parts of rural areas in Eastern Bengal."

The President:—"I must ask the Hon'ble Member to resume his seat as his 20 minutes are up."

The Hon'ble Mr. Fuzulbhoy Currimbhoy Ebrahim:—"Sir, it is a matter of joy to us all that His Excellency the Viceroy is, through the grace of God, convalescent, that the cloud has passed away and that His Excellency means to rule over us during the rest of his term of office, and to pursue that enlightened and benevolent policy, so dear to his heart which intense physical suffering has not been able to change. We are also glad Her Excellency Lady Hardinge, with admirable self-sacrifice, has foregone for the present the holiday she intended to take, and has decided to stay among us in India.

"Sir, the Hon'ble the Finance Minister naturally attracts the chief interest on Budget day. That interest is heightened in the case of Hon'ble Sir Guy Fleetwood Wilson on account of his personality. He just now stands high in the esteem of the people. We Indians appreciate sympathy and good intentions, and if the Hon'ble Sir Guy Fleetwood Wilson has 'meant well by India,' he has the warm appreciation of the people in return, which is perhaps the highest reward of public service. On the Bombay side he has endeared himself still more by the genuine concern he has shown for our commercial and industrial progress. Details are unnecessary, reference to one incident will suffice. But for the inquiry he personally undertook at Bombay, resulting in the suspension of the opium sales, the loss to the merchants engaged in the trade would have been enormous. Some idea of the importance of the Government action will be had from the fact that at the time about 15 crores of rupees worth of opium was in stock. Suspension of further sales has thus clearly averted a financial crisis. But something more has to be done. On this subject I wish to speak with due reserve. The Hon'ble the Finance Minister himself will realise the gravity of the situation. The suspension of the sales has only prevented a decline in price, but the stock cannot be cleared. The Chinese Government, I regret to say, is either powerless to observe, or fails to observe, the treaty. A serious responsibility now rests on this Government. The holders purchased the opium in implicit faith in the inviolability of a British treaty. It is only equitable that either the Chinese Government should abide by the treaty, or buy the whole stock, thereby securing to itself all the advantages of a monopoly. If in future China wants to buy Indian opium, she may buy it in the same way as Japan does for Formosa.

"Sir, the next year's allotments for railway expenditure also show the Hon'ble Finance Minister's statesmanlike grasp of our real needs. Improvement on the open lines, instead of extension, absorbs more than five-sixths of the total allotment, and two crores of rupees out of the amount have been earmarked for additional wagons. The arrangement cannot but be regarded as satisfactory.

"Sir, allow me to point out that we expected that the Hon'ble Sir Guy Fleetwood Wilson would meet the most pressing demand of enlightened commercial opinion in India before he lays down the reins of office. However satisfactory his scheme of taxation may appear to him, the duty on our silver imports is a handicap on our export trade with China, and the arguments

BUDGET.

[24TH MARCH, 1913.] [*Mr. Fuzulbhoy Currimbhoy Ebrahim.*]

advanced against it in 1910 have not lost in force by time. In 1911, the Hon'ble the Finance Minister pointed to the high price of silver then ruling and the absence of any diminution in the exports to China as supplying a complete refutation of these arguments. This position one would find it difficult to accept. It is true the price of the metal rose high for a time and the injurious effects of the duty upon our import trade with silver-using countries have not so far been apparent; but the phenomenon is due to a number of causes unconnected with the import duty. The apprehended contraction in our exports to China was expected to follow the consequential slump in the silver market, but adventitious circumstances prevented this fall. The influence of the duty upon our export trade has been obscured for the time being. The Hon'ble the Finance Minister knows full well the causes which have contributed to the high price of silver. It will be too much to claim for the import duty this appreciation as its normal effect. The conditions producing this result are from their nature temporary. With the restoration of normal conditions, the injurious consequences anticipated in 1910 will for a certainty develop themselves. As a matter of fact, the volume of Indian twists and yarn exported to China has contracted and the decline is steady. Weaving is now found more profitable than spinning by reason of the loss of the China market, on which Japan, progressive through a protective tariff, dumps her surplus goods to advantage; but the substitution of looms for spindles is a work of both time and extra capital which all cannot afford. These difficulties of the Indian cotton manufacture are increases by the heavy silver duty. The Indian silver imports are likewise sure to go down, producing a depressing effect upon the silver market. The Hon'ble the Finance Minister has himself budgeted for a smaller revenue from the duty in 1913-14, in consequence of smaller purchases of silver. How have then the very sound objections to the duty failed? The Indian public will not be reconciled to this duty, and it behoves Government to take the earliest opportunity to abolish it, or in the alternative to reduce it considerably. A succession of surpluses should enable Government to do this. With the demonetisation of silver, the imported metal has lost its currency value and is equivalent to an ordinary commodity. It is unfair that it should be burdened with a heavier duty than other commodities. The Bombay Millowners' Association is anxious that the duty should be abolished; and if I did not put forward a definite proposal to that effect in connection with the Budget, it was because of the conviction that the Hon'ble Sir Guy Fleetwood Wilson, on the eve of his retirement, would be reluctant to take such an important step.

"Sir, assuming that such a large revenue cannot be surrendered in view of the increasing financial wants of an advanced administration, the loss can be made up by the imposition of reasonable heavy duties upon some other imports. But this Government, in the present state of their relations with the Home Government, might and would hesitate to take this just course. The real difficulty arises from the absence of a reasonable degree of freedom to the Government of India to regulate the tariff according to their financial needs. Sir, apart from all considerations of free trade and protection, this want of fiscal independence or fiscal autonomy must strike any impartial critic as something radically wrong. The tariff in all countries and in all ages has been a productive source of revenue. Free trade England imposes heavy duties on some of her imports. Why is it then that the Government of India should not be allowed to arrange their tariff in the best way they think proper provided the duties are imposed for the purposes of revenue and do not exceed a fixed maximum, say 10 per cent. *ad valorem?* The British Colonies have the right, and much more. They can protect their industries even against the mother country. The case for India for fiscal autonomy with the limitations suggested above would seem to be unanswerable. This is a reform which can be introduced immediately without the abandonment on the part of either England or India of the orthodox principle of free trade. I hope that this Government will now take a practical step, and move the Home Government for the concession which cannot be withheld from us long. We shall not rest content as long as this little justice is done to us.

BUDGET.

[*Mr. Fuzulbhoy Currimbhoy Ebrahim.*] [24TH MARCH, 1913.]

"Sir, the Government decision to suspend the coinage of gold in India, pending the export investigation of Indian finances and currency, has been received with profound disappointment by the commercial public, showing as it does, our complete dependence upon England in all our financial arrangement. The jealous West would appear to be anxious to stop even the course of trade and to intercept the gold that flows into this country with the current. The demand comes for a Royal Commission of Inquiry from English financiers, and all our arrangements for introducing a supplementary coin agreeable to Indian sentiment are upset. Sir, we Indians do not mind the inquiry, but some explanation is due to us why at least a gold coin of a smaller denomination than the sovereign, although approved by the Secretary of State, should not be minted at Bombay forthwith, and why the proposed minting operations should be hung up for the approval of the Royal Commission? We Bombay merchants, manufacturers and bankers feel strongly on the point.

"Sir, the Indian public feels uneasy about two other facts. The Government of India have no independent relations with any foreign Government. And yet on the 14th February last the Hon'ble Sir Acland, in the course of his reply to the Hon'ble Sir John Rees, stated in the House of Commons :—

'The Government has undertaken jointly with the Government of India to make an advance earmarked for the administration of Shiraz.'

"This is a startling statement which requires elucidation. We are obviously making a new departure in our financial relations and responsibilities which are outside the legitimate sphere of dependency.

"Sir, the other disquieting factor is the expedition for the suppression of the arms traffic in the Persian Gulf. Year after year our Budget provides for expenditure on this account, but the people are completely in the dark as to the arrangement with the Home Government under which we have to pay for these operations. We do not seek to criticise in this Council the Government policy in this respect, but only seek to ascertain if our financial interests have received at the hands of the Home Government adequate consideration.

"Sir, the chief interest in the Budget centres round the liberal grants made out of Imperial revenues for the extension of education, primary, secondary and high. The total budgeted expenditure, both Imperial and Provincial in 1913-14, exceeds the Revised Estimate of the current year by about 2¼ crores of rupees. This is a hopeful sign. The apportionment of the Imperial grants, recurring and non-recurring, is, however, open to criticism. Bombay which is ahead of the other provinces in education, gets only 19 lakhs of rupees as against the 33 lakhs of Bengal, 23 lakhs of Madras and the 20½ lakhs of the United Provinces. 'The distribution of the additional sum among the provinces has been made' according to the official explanation, 'generally with reference to population, the demand for education and the express needs of the Local Governments.' *A priori* the hardship upon a province like Bombay where the numerical strength of the population does not provide a fair test of the actual needs. Under the inspiring guidance of Lord Sydenham, our educational activity in Bombay has been varied and phenomenal, general education, primary, secondary and high; technical education, scientific education, commercial education and agricultural education alike are engaging the serious attention of both the people and the Government, and we could surely now utilise a much larger grant, notwithstanding the large unspent balance of the past education grant. A scheme for the conversion of the Victoria Jubilee Institute into a Central Technological Institute is ready; a college of science and a Commercial college will shortly be started; an agricultural school has been established at Poona; manual training has been introduced into the general schools; we have a fixed annual programme of 500 additional primary schools. This is a record of work which stands unequalled, and it does not require any strength of imagination to realise that our activity is only circumscribed by want of funds. To speak of only primary schools, 17,000 of them are required in the province. Bombay thus deserves special treatment.

BUDGET.

[24TH MARCH, 1913.] [*Mr. Fuzulbhoy Currimbhoy Ebrahim.*]

"Sir, Government should take note of the special educational needs of the Moslem community. The Mussalmans are admittedly backward in education. All are likewise agreed that unless they are educated there is not much hope for progress in India. Thanks to the operation of the invisible forces of time, there is now a general awakening among them; they are shaking off their stupor, they yearn for knowledge. Government should take them by the hand, and encourage Mussalmans' education by every means in their power. My Hindu brethren will not grudge the Mussalmans special favour in this matter of education. Experience has taught me that the Hindus are equally anxious for the education of my co-religionists. Government should therefore have no hesitation in pursuing a more liberal policy towards Mussalman education. And the policy must be shaped in frank recognition of the cardinal fact that in consequence of their religion, education, to be effective and popular, must be sectarian. Special schools are absolutely necessary in their case for training in Urdu and religious books. The establishment of such schools will be greatly encouraged by the raising of the maximum aid in the case of Mussalmans to a moiety under the Government system of grant-in-aid to private schools. And for the high education of the community, the proposed Moslem University at Aligarh should be an accomplished fact before long. Government are in possession of the fullest information about Mussalman sentiment. They are doing their best to secure for the Mussalmans all the powers and all the privileges that the circumstances would allow. An amicable and early settlement of the various issues involved in this all-important question of a Moslem University between Government and the leaders, should not be beyond the bounds of reasonable hope. I sincerely trust this Aligarh University will soon be established.

"Sir, in Bombay, Mussalman education is receiving a large share of the public attention. We are doing something for its promotion. Before long Poona will have a residential high school on the model of the English public school for Mussalmans, and a school for Mussalman girls will shortly be established at Bombay. The establishment of a college for Mussalmans is under the consideration of Government. A number of schools for Mussalman boys have been opened in the districts. The Government of Bombay is very sympathetic and is ready to lend us as much financial assistance as their limited resources would allow. Our great need is money. With more liberal Imperial grants we could show better results. I hope we shall have them in the next Budget, if not in this.

"Sir, on a broader review the allotments for education from the Imperial revenues disclose one serious defect. Government have undoubtedly broadened their educational policy, but technical education does not receive its adequate share of attention. The proposition is almost axiomatic that the development of manufacturing industry is the best insurance against the injurious effects of the uncertainties of agriculture. And not only that, manufactures are necessary for the profitable utilisation of the fruits of agriculture—raw produce. I am convinced Government is impressed with their importance. We surely have a higher purpose in life than to be the growers of raw material. And in so far as our industrial development is dependent upon the dissemination among us of technical knowledge, technical education should be an object of paramount interest to the Imperial Government. Sir, it is time Government recognised their responsibility in this matter, and sanctioned special allotment for the support of technical education.

"Sir, speaking of grants for education, I have one other suggestion to make. Residential high schools, on the model of English Public School, for their elevating influence upon the moral character of the students, are a necessity in India. Private enterprise in this matter should be encouraged and stimulated by liberal grants. I beg to suggest that these residential schools should receive preferential treatment.

"Sir, in my humble opinion, the corrective for the financial difficulties of Provincial Government I have just criticised above lies in greater decentralisation in the administration. The Hon'ble the Finance Minister has referred

BUDGET.

in his introductory speech with some degree of legitimate pride to the Provincial Settlements and to the consequential betterment in the financial resources of the Local Government. But the lump grant of a crore of rupees out of the Imperial surplus in aid of provincial resources disproves the proposition that these resources are sufficient for the numerous needs of progressive administration. It would be far better if the arrangement is reversed, and instead of the Local Governments being the recipient of certain fixed proportions of the Imperial revenue the revenue is provincialised and the central Government is content to receive fixed contributions from the Local Governments. I also maintain that the time has come when larger financial powers, the powers of borrowing and taxation among them, should be given to provincial Governments. Sir, the Provincial Legislative Councils have been expanded on a popular basis, with a standing non-official majority. But they will not be the active units Government want them to be until some real power of financial control is given them. The illustrious Governor of Bombay, Lord Sydenham, in his speech at the meeting of the Bombay Legislative Council of the 17th March current, observed :

'The work of this Council has increased, and it will increase still more if ever decentralisation, of which much has been said and nothing done, becomes an accomplished fact. Then in all matters of Provincial concern the Council will become a real power, and I am convinced the progress of this Presidency, now too often retarded because other provinces are not equally ready to advance will be vastly accelerated. I am quite convinced that this Council is now quite fit to assume a larger responsibility, which in my opinion ought, and I hope would, in time to come, be conferred upon it.'

" Every word of this is true. Lord Sydenham with a statesmanlike perception of the wishes and the needs of the people has indicated the direction in which reform is desirable. He has in this appeal the support of educated India. This Government will now be pleased to take this question into their serious and favourable consideration.

" Sir, one point more and I have done. The question of British contribution for the loss of our opium revenue is once again to the fore. The justice of the claim nobody will have the hardihood to deny. Without consultation with the people of India or even preliminary notice the British Government proceeded to knock off an important source of our revenue. The Government of India was deprived of an annual income of over 5½ crores of rupees for the satisfaction of the philanthropic Englishman. But we should not grudge the loss. India has for centuries been noted for spirituality and high morality. The claim for compensation for the abandonment of an immoral trade would be clearly opposed to her noble traditions. Proud in the possession of a magnificent code of ethics, we will not have any compensation from the British Exchequer for the loss of an immoral gain."

The Hon'ble Maharaja Manindra Chandra Nandi of Kasim Bazar:—" Sir, I congratulate the Hon'ble the Finance Member on the fact that the Financial Statement before the Council bears testimony, for the third year in succession, to the material prosperity of the country. The estimated surplus for the official year which is about to close was about a million and a half pounds sterling, while the Revised Estimates show a surplus of £3,362,000, which is nearly two millions better than the estimate. The beginning of the present year was an anxious time in Northern and North-Western India on account of the delay in the winter rains, but all anxiety has been averted by the late but sufficient rains which have fallen in February and the current month. It is noteworthy that in spite of the large surplus in the years 1911-12, 1912-13, and the estimated surplus for the next year it has not been found possible to announce any reduction or remission of taxation. This, no doubt, is partly explained by the undertaking given by the Government of India in 1911 for the extinction of the opium trade with China by 1917, or earlier if the extinction of the production of the indigenous drug in China were proved. Considering the very important part that the revenue

BUDGET.

[24TH MARCH, 1913.] [*Maharaja Manindra Chandra Nandi of Kasim Bazar.*]

from opium plays in Indian finance the Hon'ble the Finance Minister is probably justified in not agreeing to any diminution in any source of income. We are within a measurable distance of the time when the opium revenue will be automatically wiped out under the terms of the agreement with the Chinese Government, and though it would be premature to attempt a forecast of the adjustment of revenue and expenditure when that contingency arises, it is to be earnestly hoped that the new situation will be met without recourse to fresh or enhanced taxation.

"In the distribution of the available surplus for 1912-1913 two and a half crores of rupees have been assigned for non-recurring expenditure on education, and one and a half crores for urban sanitation, but provincial allotments have not been specified. In the Budget estimates for the next year one crore has been allotted for recurring expenditure on education and sanitation, 85 lakhs being distributed to the major provinces, seven lakhs being assigned as Imperial expenditure and eight lakhs being retained as a reserve. The amounts set apart for expenditure on education leave Provincial Governments and Administrations unfettered discretion as regards the branches of education on which additional expenditure is to be incurred. I venture to think, Sir, that technical and industrial education has the strongest claim upon public revenue in view of the altered conditions which are rapidly appearing in the country. A mere literary education is no longer sufficient to equip our young men for the struggle of existence. The growing needs of the country and the people have to be supplied in a large measure by commodities brought from foreign countries. A wider spread of technical and industrial education will have the effect of opening up new vocations in life for our young men as well as developing the resources of the country. According to the fifth quinquennial report, 1902—07, on the progress of education in India there were, in 1906-07, 14 technical and industrial schools in the Madras Presidency, 31 in Bombay, 52 in Bengal, 11 in the United Provinces, 19 in the Punjab, 3 in Burma, 12 in Eastern Bengal and Assam and 5 in the Central Provinces and Berar. Confining my remarks to Bengal, which now once again includes Eastern Bengal, the number of technical and industrial schools is apparently the largest of any Presidency or province in India. Of course the number that falls within Bihar, then an integral portion of Bengal, has now to be excluded. But these schools in Bengal are very small institutions and are mostly aided or private. The report on Public Instruction in Bengal for 1910-11 shows that the total expenditure on technical and industrial schools managed by Government was barely R45,074, of which R39,414 were contributed from provincial revenue. The amount is wholly inadequate for the requirements of so important a Presidency as that of Bengal. Even if the establishment of a fully equipped Technological Institute is delayed, a much larger amount should be earmarked for technical and industrial education, and the Bengal Government should have no difficulty in doing so out of the allotments made by the Government of India from surplus and current revenue.

"As stated above, provision to the extent of 1½ crores has been made for urban sanitation from the surplus of the year about to close, as well as a moiety of one crore assigned in the Budget estimates for 1913-1914, but in the latter instance, it is not specified whether for urban or rural sanitation. To us in Bengal rural and suburban sanitation is a problem perhaps more important than urban sanitation since the former affects a much larger population and a wider area. The ravages of malaria in Bengal are well known, and village areas have suffered severely specially in the districts of Murshidabad, Nadia and Jessore. At the second all-India Sanitary Conference held at Madras in November last year, and over which the Hon'ble the Member for Education presided, the subject of rural sanitation in Bengal was discussed in a paper read by Mr. Mati Lal Ghose, a member of the Conference. He referred to the terrible ravages of malaria in Burdwan and other districts in 1861 and subsequent years. The Epidemic Fevers Commission of 1864 attributed the outbreak to miasm, polluted drinking-water, deficient ventilation

BUDGET.

and other causes. Since then malaria has spread over an extensive area and has been undermining the health and constitution of the people, and injuriously affecting the development of the race. It was pointed out in the course of Mr. Ghose's paper with the views of which Rai Bahadur Dr. Kailas Chandra Bose, C.I.E., an eminent medical authority, generally agreed that the problem in Bengal was one of village sanitation, and there was an imperative necessity for improving the drainage and water supply. This should be supplemented by the clearance of jungle and the growths of rank underwood, the filling up of useless tanks, the freedom of tanks of which the water is used for drinking purposes from pollution, the prohibition of borrow-pits in the proximity of villages and other necessary measures. In his opening speech the Hon'ble the President announced that out of the grant of ₹5 lakhs for anti-malarial measures ₹50,000 had been assigned to Bengal for experimental jungle clearing, but the anti-malaria campaign should be carried on in a systematic manner in all directions, and then alone will our efforts be crowned with success. His Excellency the Governor of Bengal, it is satisfactory to note, takes a practical and keen interest in rural sanitation, and I am confident that with the additional funds placed at his disposal, His Excellency will endeavour to deal with the problem of rural sanitation in Bengal.

"Before resuming my seat, Sir, I hope you will permit me to refer briefly to the concluding portion of the Financial Statement. The Hon'ble Sir Guy Fleetwood Wilson has said that this is his last Budget and he will sever his connection with India with profound sorrow, but he rejoices exceedingly that he will leave her loyal and prosperous. We all sincerely share the last sentiment. Sir, by his unfailing courtesy, his affability and urbanity, Sir Guy Fleetwood Wilson has, in his exalted offices of Finance Member and Vice-President of this Council, won the respect and esteem of Hon'ble Members of this Council, while his sympathy for the people of India is remembered by them with affectionate gratitude. When the time comes for the parting word to be said the best wishes of all India for his continued prosperity and success in a different and, we hope, a higher sphere of activity will accompany him to his distant home beyond the wide seas."

The Hon'ble Mr. Ghuznavi:— "Sir, to-day I rise to congratulate my brethren, both European and Indian, my Hon'ble colleagues in this Council, on having come to the end of our labours and brought to a close this first session of the New Council in the historic Delhi of past glories and in the truly Imperial Delhi of future hopes.

"The momentous change of policy which while, upsetting the partition of Lord Curzon, ushered in the transference of the capital from the city of Job Charnock to the city of the Moguls, I confess, Sir, for a moment paralysed the Moslems of Eastern Bengal and Assam, from their rank and file to their accredited head, the Nawab Bahadur of Dacca, who had identified himself so much with the province that was born to die so young. At the time the news reached us, I, who was then stricken with a serious malady and was more dead than alive, thought with the rest of us that it was a veritable political debacle. But God in His infinite mercy not only restored me to a fresh lease of health and activity, but with it as it were brought the conviction to the minds of us, Mussulmans of Bengal, that the change was by far for the better. Although the change is written in the present Budget as it will be written in future Budgets in large figures of expenditure, it has converted our province into a Presidency with the British Statesman at its head of consummate ability, tact and genuine sympathy, courteous and affable with a keen regard for the true interests of those over whom he has been called upon to rule. It has given us a Government by an Executive Council composed of men like the Hon'ble Sir William Duke and Mr. Lyon and my friend and late colleague Syed Shamsul Huda, who have an intimate knowledge of the land and the people whose administration is under their charge. For these reasons, Sir, I for one, do not grudge any expenditure

BUDGET.

[24TH MARCH, 1913.] [*Mr. Ghuznavi.*]

in the Budget which is the outcome of this policy which will ever be associated with the revered name of His Excellency Lord Hardinge.

"Sir, I have no desire to criticise at any length the Budget—the prosperity Budget, if I may so use an old expression which has found favour in the past with may of my colleagues—for it hardly calls forth any comment; nor do I desire to repeat what surplus it shows, what income it indicates, or what expenditure it advocates, for all that is within the easy reach of any one who wishes to turn over the so-called dry and dusty pages of the Financial Statement of the Budget which I must confess this year have been made a little less dry and a little more interesting by the magic hand of my friend, the Hon'ble Sir Guy Fleetwood Wilson. I wish to take advantage, Sir, with your permission, of the general nature of to-day's debate and dilate on a few matters of general policy. But there is one point strictly financial that I should like to touch upon and it is this—It is the financial relation between the Imperial and the Provincial Government. In the middle of May, 1912, a resolution was issued by the Government of India defining the future financial relations between the Imperial and the Provincial Governments. The first point which strikes one with regard to this is the absence of what the various Local Governments consulted on the subject. said about the points referred to them. In the resolution, there is very little to show what their opinions were, and yet the Provincial Governments are as much interested in the question as is the Imperial. What I ask is this, will the Hon'ble Finance Minister be pleased to tell us what the opinions of the Local Governments were, and whether in the present Budget the relations between the Imperial and Provincial Governments have been adjusted in the light of those opinions. Before the year 1871 Local Governments, though responsible for the internal administration of the country, had no power of control over the financial affairs of their respective provinces, and therefore had no financial responsibility. The revenues of the whole Empire thus went into a common fund which was completely at the disposal of the India Government. The Supreme Government came to find in course of time that the demands of the Local Governments for money were practically unlimited, because there was almost no limit to their legitimate wants. Thus the constantly increasing demands of the Local Governments obliged Lord Mayo in 1871 to inaugurate the celebrated Decentralisation Scheme by which it was resolved to make over to the Local Governments a certain income to meet their local expenditure and leave to them subject to certain general rules and conditions, the responsibility of managing their own local affairs. Thus the financial control of Jails, Police, Education, Registration, Medical Service, Printing, Roads and Civil Buildings was transferred to the Local Governments. But as the Secretary of State for India kept for himself the lion's share of the revenue and the Government of India in its turn followed suit, this arrangement proved unsatisfactory. Chiefly because it allotted to the Local Governments means which were at once insufficient and left them to carry on their administration as best they could within that amount. Thus thrown upon their own resources the Local Governments with the permission of the Government of India hit upon ingenious local taxes which gave birth for the first time to that wonderfully elastic taxation which is so dreaded by the unfortunate zemindars of Bengal, namely, the Road Cess and the Public Works cess. Other provinces such as Punjab, Madras, Bombay had similar taxes sprung upon them. Lord Lytton in 1877 further developed this decentralisation scheme, and Bengal and other Local Governments were entrusted with the management for their use on fixed terms of progressive payments, their Excise, Customs, Salt, Law and Justice, Marine, and miscellaneous, etc., and some heads of expenditure were also entrusted to the Local Governments. The Local Governments thus were authorised to develop the sources of the revenues placed at their disposal with the condition that the Government of India was also to get a share in the increase of this revenue every five years at certain fixed rates. Soon after Local Governments accordingly began to show increase under every head of revenue, the proceeds being rateably divided between themselves and the Supreme Government with the result that

taxation reached almost its utmost limit in every province. Let us take an example. The revenue of Bengal, Bihar, Orissa and Chota Nagpur increased from 2 crores 69 lakhs odd to 3 crores 68 lakhs odd, and it went on increasing until we get in 1909—11 to 5 crores 77 lakhs odd for West Bengal and 2 crores 27 lakhs odd for East Bengal, subtracting 75 lakhs, that being the annual revenue of Assam. That is to say, within 30 years the revenue of Bengal was quadrupled. The question naturally rises as to how this huge increase of revenue was brought about. The answer is that it was mainly by forcing up the sources of the growing revenues such as Excise, Stamps, etc., year after year. Now the main features of the Resolution of the Government of India of May of last year are (1) the replacement of Government of India's cash assignments to Local Governments by making over sources of growing revenues to the latter, (2) making of the existing quasi-settlements permanent. Now there would be no objection to this arrangement if the sources of growing revenue placed at the disposal of Local Governments were to grow for ever. But this can never be. On the other hand, most of the sources of revenue have already been almost tapped dry. Hence we are justified in doubting whether the Local Governments will gain or lose by such commutation of the cash assignments to growing revenues which are bound to shrink in due course, and must ultimately reach the utmost limit of their goal In the present budget the financial relations between the Central and Local Governments have been regulated in the light of the resolution referred to above. Hence I would respectfully urge upon the Government the desirability of reconsidering this complex question of financial relationship between the Central and the Local Governments in all its entirety.

"Sir, I now pass on to general questions. At the outset I must express my deep gratitude to Government for their large-hearted and munificent educational policy. India is by far one of the most backward countries in the matter of education. And to my mind England can only fulfil her noble mission here by spreading education broadcast in the land. Comparatively speaking we Mussalmans are very backward, and personally I plead that in this matter the Mussalmans are entitled to a preferential treatment which I am sure no enlightened and broadminded Hindu would begrudge us. For they must remember that our educational advancement is equally to their interest. I am sure, you will be astonished, Sir, when I tell you that taking a single district like Mymensing, there are not more than 23 High English Schools in an area which is nearly equal to that of Ireland, and of these only two are under Mussalman management. Apart from the question of giving freely grants-in-aid so that schools might multiply, Inspectors of Schools specially in the Dacca Division might be advised with advantage not to put unnecessary obstacles in the way of the few schools that are started by private enterprise from receiving affiliation from the University. In my budget speech of 1910, I had the pleasure of congratulating Government for having recommended to Local Governments the advisability, in the interest of higher education, of affording substantial help for the raising of 2nd grade colleges to first grade, and I referred particularly to the Chittagong College. This year I would refer similarly to the Ananda Mohan College in Mymensing, and while expressing gratitude to Government for having already promised a considerable amount of help with regard to it, a little more is needed to bring about the desired end. If the Government of India consider the question of commending to Local Governments the advisability of raising 2nd grade colleges to 1st grade whenever possible, the desired consummation with regard to the Ananda Mohan College will easily be brought about.

"I now turn to Moslem Female Education. It is a matter greatly to be deplored that there are hardly any Moslem Girls' Schools in any of the provincial capitals of India. Taking the case of Calcutta, we find that there is one small Girls' School called the Shakhawat Memorial Girls' School, and this too has been started only recently through the liberality and devotedness of a single

BUDGET.

[24TH MARCH, 1913.] [*Mr. Ghuznavi; Maung Myé.*]

lady. In my opinion there should be Government aided and Government controlled first class Moslem Girls' Schools in every important centre throughout India, and Local Governments should be commended accordingly.

"We are deeply grateful to the Government of India and the Hon'ble the Finance Minister for the money which he has provided for the Dacca University in the present budget. But I would respectfully and earnestly point out that a great deal more will be required before it can be made into a Cambridge or Oxford of East Bengal.

"I cannot conclude my remarks without expressing my personal obligations, and on behalf of the entire Mussalman community our deep gratitude to His Excellency the Viceroy and the Government of India for granting leave to Mussalman employés of the Government of India to say their Jum'a prayers as well as for commending to Local Governments the desirability of granting the same privilege. For this single act on the part of His Excellency the Viceroy and the Government of India, Mussalmans regard His Excellency Lord Hardinge as a great benefactor. We are also thankful to the Government of India for having accepted the resolution which was chiefly with regard to Mussalman holidays, and I would respectfully urge the Government to send their commendation embodying the principle of the Irreducible Minimum of Four Mussalman Religious days to the Local Governments concerned as early as possible so that due effect may be given to it without delay.

"In conclusion, I feel that I must give vent to what is uppermost in my mind. For four years out of five of the official career of the Hon'ble Finance Minister in this country, I have had the honour of being associated with him as a colleague in this Council, and I desire to give expression to the great admiration and the very high regard in which I have held him, in which, I am sure, we all hold him. Sir Guy Fleetwood Wilson came to us with his mind saturated with the best traditions of English public life, and his presence in this Council in its infant stage has been of incalculable benefit. His high-minded courtesy, his delightful suavity of manners, his warm sympathies, his sturdy independence of character, his deep devotion to the truest and the best interests of India have all earned for him an abiding place in our hearts.

"Sir, when the Hon'ble Sir Guy Fleetwood Wilson took up the portfolio of Finance, he found India in adversity and at the end of his five years' period he is leaving her in financial prosperity with the solemn assurance that should financial trouble come on India, she would be prepared to meet it,—'*L' India fara da se*'. In pathetic terms he told us on that day that this was his last budget, and this day would practically be the last day of his career in India. Man proposes but God disposes, and we still hope that Providence may yet keep him amongst us and give us and India the benefit of his labours for a further term. But should that not come to pass and the best of friends have to part, we hope that when he is far away from these shores like so many friends who have gone before, with him Sir, it will not be the case of '*Lointan deghli occhi lointan del cuore*'."

The Hon'ble Maung Mye:—"Sir, to-day being the closing day of the year, I do not wish to pass it without some expression of my gratitude on behalf of my Province, to the Imperial Government for the grant of 30 lakhs for road communications.

"Although very far short of fulfilling actual requirements, it is still a welcome start for an undeveloped and backward Province like Burma.

"According to calculations made by experts, she requires a little more than ten times that amount to equip herself with the necessary road communications, but she is content and grateful with what she has received.

"Burma is not asking for more for she knows now, since the Government of India recognizes her urgent wants, she can wait and hope that, whenever the financial situation permits in the future years, the Government of India

will not forget that Burma has a strong claim on the Imperial exchequer for further grants."

The Hon'ble Mr. Fenton:—"Sir, my friend and colleague, the Hon'ble and gallant Captain on my left has formulated so many suggestions, for the better government of India in general and the Punjab in particular, that it is perhaps unnecessary for me to occupy the time of the Council for many minutes.

"I do not propose to indulge in what the Hon'ble Finance Member calls patriotic pleadings. It is true that, three years ago, speaking on behalf of the finances of my Province, I had the temerity to ask for more. Well, Sir, we have got more. The financial position of the Punjab is now thoroughly well established. But I do not think the Hon'ble the Finance Minister does himself justice when he attributes to time alone the improvement which has taken place. He has, in fact, jogged the elbow of time. That is to say, the Government of India have very wisely decided to accept the claim of the Local Government to have a portion at least of our large fixed assignments converted into shares of growing revenue. Half the income under the land-revenue head and the net income from irrigation have been provincialised. Nor in attributing the amelioration that has taken place to time, and to time alone, has justice been done to the head of our Local Government who, both by his convincing presentation of the case for the reform which I have mentioned, and by his watchful supervision over our revenue and spending departments has very materially contributed to our present happy position? In view, therefore, of this present happy position, it is not necessary for me to plead, as I did three years ago, the cause of the provincial lamb. Our own particular provincial lamb has now grown up into a sheep,—a fine, fat, well-conditioned sheep. Judging from the distribution of the Imperial surplus which has taken place, it is not perhaps the most favoured sheep of the flock. Indeed I am not sure that Sir Guy Fleetwood Wilson and some of his colleagues do not still regard it as a black sheep. But if the Hon'ble Finance Member now approaches us and asks in the words of that well-known nursery rhyme 'Baa! baa! black sheep have you any wool?' the answer which will be given to him with complete assurance and satisfaction will be 'Yes Sir, Yes Sir, three bags full.' We have one bag for the Master, that is to say for the Finance Minister himself. The Government of India derive from the Punjab Province a contribution to the Imperial exchequer which is substantial and important, and will be still more substantial and important in future. We have also got a bag for Sir Louis Dane. The Punjab has at last come into some of its own. And, Sir, we have a third bag: a third bag for 'the little boy who lives up the lane.'

"And who is the little boy, and why does he live up the lane? We are all familiar with the *chhota saheb*, the Assistant Collector, the Assistant Commissioner; sometimes he is a hoary-headed 'Joint.' He is little in pay, little in prospects and little in position. But he is not little in years. He is running well on to 40 sometimes; and—he 'lives up the lane.' And why does he live up the lane? Because he cannot afford to live in any more respectable locality. Rents have gone up, prices have gone up, wages have gone up, steamer fares have gone up, the cost of living in every direction has gone up, and he really cannot afford to make both ends meet. Bitterly must many a *chhota saheb* regret,—many a one who once had an opportunity of choosing the Home Civil Service,—bitterly must he regret that he did not exercise his choice in that direction; for then perhaps—you never can tell—he might have aspired to be now occupying an honourable seat on one of the front benches opposite. But, it may be asked, what connection has all this with the budget? That brings me to the third bag of wool. We have got that bag, and it only requires the permission of Government to give it over to 'the little boy who lives up the lane'. Sir, the Government of India also have wool, lots of it, and I would here put in an earnest plea that they do not part with it too readily; that they keep it in reserve for the moment. Nothing that has taken place since the commencement of this

BUDGET.

[24TH MARCH, 1913.] [*Mr. Fenton; Nawab Saiyid Muhammad.*]

Session has, I believe, given more satisfaction to the rank and file of the Indian Civil Service than the words which dropped from your lips, Sir, in the course of the debate on the Hon'ble Mr. Gokhale's motion, in which you adumbrated the need for making provision to carry into effect the possible recommendations of the Public Services Commission. It would of course be presumptuous to indulge in any definite forecast as to what those recommendations will be, but it is permissible to build up hopes on the justice of our case. It is permissible to urge upon those who will have the responsibility of giving effect to any measures, which the Public Services Commission may recommend to look ahead and to maintain an adequate reserve so that when the time does come to give effect to these measures, their adoption will not be frustrated by any lack of prevision in the Finance Department.

"Those Members of this Council who so recently have been giving so much study and attention to the question of Company law, are no doubt familiar with that bright and humane side of Company finance which so often marks the presentation of a balance-sheet exhibiting exuberant prosperity. There is on such occasions rarely a dissentient voice heard when the Directors propose to grant a bonus to the Staff and recommend that a substantial addition be made to the employes' pension fund. Sir, has not the time come for the Directors of the Empire of India, Limited, to take some step towards imitating a commercial practice so just and admirable? Does not the prosperity of the country carry with it some obligation to those under whose administration and by whose efforts it has been largely achieved?"

The Hon'ble Nawab Saiyid Muhammad:—"It is once again my pleasant duty to congratulate the Finance Member on his excellent budget and his clear and businesslike statement of our Financial affairs. Since the expansion of the Council the annual Financial Statements have been watched with deep attention, and have elicited warmest approbation all over the country. Sir Guy Fleetwood Wilson has introduced several healthy changes in the method of the preparation of our Financial Statement and Budget, which, I hope, his successors will loyally follow. Sir, the career of our Finance Minister has been followed by our countrymen with great interest. He has not merely been a Member of the Executive Council, but a statesman and a friend of the land he has served so well. I shall merely be voicing the unanimous opinion of our educated countrymen if I tell the Council how anxious they are to approach His Excellency the Viceroy with memorials and by holding public meetings, to use his good offices and to retain Sir Guy in the country for a further term however short that may be. We are passing through exceptional times, and we want men of his stamp to guide us.

"Sir, many important aspects of the budget have been so fully discussed in the Committee stage that hardly anything more is left for me to say. A few words, however, about the new capital will not be altogether out of place. I notice that two crores have been provided for the capital expenditure on permanent Delhi, bringing the total to two crores and 17½ lakhs. I also notice that the total cost of the temporary works and the new Cantonment, amounting to about 64 lakhs, have been shown under Revenue Expenditure. Strictly speaking, these 64 lakhs should be charged to the capital cost of the new Imperial city. This is, however, a question for the Auditor General. I beg to draw the attention of the Government to this matter, as already articles have appeared in a section of the Anglo-Indian press suggesting that there has been cooking of Delhi accounts. Leaving aside the question of accounts, I am bound to say that the Council has not been kept fully informed about the affairs of the new Capital. In fact, we know little or nothing about it, although we know that a new capital is being built for us. The preliminary report of the experts which was placed in the Library of the House of Commons several weeks ago is not available for us even to-day. Since then, so far as I can see from the press, a second report has been submitted to the Government, and on the merits of this document the southern site has been finally fixed. My friend, Sir Gangadhar Rao, has tried his best to elicit some information on the subject of the new Capital, but without evident success. We are unaware of

BUDGET.

[*Nawab Saiyid Muhammad; Sri Rama Raya of Panagallu.*] [24TH MARCH, 1913.]

the financial effect of abandoning the northern site in favour of the southern. We do not know why the expenditure on sanitation of Delhi should not be charged to the capital account. We are also not aware of the reasons which have led to the cost of the Delhi Railway diversions not being charged to the capital outlay on permanent Delhi. It seems urgently necessary that general estimates should be prepared and discussed before the detailed scheme is fixed. It seems also essential that these estimates should include capital expenditure on old as well as on new Delhi in the matter of such paramount importance as the building of a new capital. I am inclined to think, Sir, that the non-official members of Council should have been taken into the fullest confidence and allowed all possible opportunities to co-operate with the Government. This, I regret to say, has not been done. I now hope, Sir, that it will be possible for the Government to place all available information at the disposal of the Council."

The Hon'ble Sri Rama Raya of Panagallu :—" Sir, I join the other Hon'ble Members in their congratulations to the Hon'ble Sir Guy Fleetwood Wilson on the Budget under discussion. I only regret it should be his last, but I have every hope his advanced policy will continue to be followed in the department which he has administered with such conspicuous ability, and that larger grants will be annually made for agriculture, irrigation, education and sanitation. He leaves India with profound sorrow. Perhaps the assurance will be some consolation to him that we Indians are as deeply moved at his retirement, and that he carries with him a nation's goodwill and admiration.

" Sir, the absence of His Excellency the Viceroy from the Budget meeting must be painful to all, but we earnestly hope that the All-Merciful God will give him strength to resume his duties shortly and to gladden us by his sympathetic rule during the full term of his high office.

" Sir, the Budget does not call for much comment. The operations of the year about to end have given us a large surplus, and the next year's anticipations are normal. One might perhaps wonder why an unusually large allotment has been made in 1913-14 for railway construction when the Hon'ble Finance Minister himself is sceptic about the utility of railways as a commercial asset. The Memorandum, however, supplies the explanation. The whole of the money is required for the maintenance of open lines and the completion of lines under construction. But one thought would occur to all in these circumstances. If such a large amount as Rs. 15,18,69,000 be required in one year for the first of these purposes, railway expansion must have reached a stage when a halt would be not only desirable but necessary in the interests of the taxpayer. A pronouncement of Government policy on this subject from the Hon'ble Sir Guy Fleetwood Wilson will be welcome to the Indian public.

" Sir, in my opinion, and I share that opinion with many others, greater concentration of our energy on the development of feeder lines, or what are known as light railways, at least for some years to come, will be a wiser policy. Of course they are the concern of Local Governments, but advice from the Government of India will accelerate their progress. These light railways do good to the country in a variety of ways, not the least of which is by providing a sound investment to the poorer classes for the remunerative employment of their capital. With adequate guarantee the whole of the capital can be, and should be, raised from the people. The guarantee of the Provincial Government will have a decidedly more encouraging effect than a District Board guarantee. It will inspire greater confidence among timid capitalists, as these poorer Indians are.

" Sir, to a representative of Madras the statement in the Memorandum that in 1913-14 ' provision has been made for large grants to Local Boards for roads, bridges and protected wells in rural areas ' has a profound interest. I am glad this need of the Madras Presidency has attracted the notice of this

BUDGET.

[24TH MARCH, 1913.] [*Sri Rama Raya of Panagallu.*]

Government. It would be still more gratifying if the Local Government be advised to make the outlying places of pilgrimage easily accessible by the construction of roads and bridges, before applying the funds elsewhere. Huge crowds visit most of these places, and at many places, Kalahasti for instance, the pilgrims suffer a great deal from the absence of bridges. The Local Government will no doubt settle the detailed programme of works, but this Government may with advantage indicate it as a general policy that places of pilgrimage should have the first claim upon the consideration of Government in this matter.

" Sir, a bolder and more liberal policy in regard to the improvement of agriculture is called for by the increasing pressure upon land and the necessity of rapid improvement in agricultural methods. The importance of agriculture cannot be exaggerated. Agriculture has hitherto been, and still is, by far the most important industry in the world, and I have no doubt it will continue to be so hereafter. Even if to-day we are in a position to synthesise our food from free elements, we cannot dispense with agriculture. For it is no less a means of disposing of the dead and effete matter than it is a process of producing life-promoting stuff. In India it is the main industry of the people and supports directly or indirectly about eighty per cent of the population. And yet the condition of Indian agriculture is not what it should be. There is ever increasing foreign competition. Crop after crop is being threatened. German artificial blue dye has almost put a stop to the cultivation of indigo in this country. Java sugar is a standing menace to the indigenous cane cultivation. If these things continue, the Indian peasant will ere long have to be out of employment. The problem of agriculture, therefore, demands the most careful attention of the State. I do not deny that Government is alive to the importance of agricultural improvements, and is trying to effect it in various ways. The third report on the 'Introduction of Improvements into Indian Agriculture' contains interesting information regarding official activity in this important direction. I would, however, suggest the nationalisation of agricultural education by giving elementary agricultural training a recognised place in our primary schools as in Japan and some of the agriculturally advanced countries of the west. I do not apprehend any serious difficulty in the inclusion of a rudimentary agricultural syllabus in the course of study at these primary schools. But with a view to popularise agricultural knowledge, to disarm opposition and to make a cautious advance, an agricultural section may for the present be added to the village primary school, admission to which should be optional. Without therefore launching upon a scheme of primary agricultural schools, the desired facilities for special training may in this way be provided in the general elementary schools at a small cost. In paragraph 36 of the Education Resolution of the Government of India, dated 21st February 1913, it is noted:—

'In the ordinary elementary schools, formal agriculture is not taught; but in some provinces a markedly agricultural colour is given to the general scheme of education.'

" I submit this is not enough. A more comprehensive scheme of agricultural education is clearly required; but, on the 17th of February last, in reply to my question on the subject, Sir, you said:—

'The Government of India are not aware .... of any likelihood of such schools (of agriculture of a strictly elementary character) being brought into existence in the near future.'

" This being the position; to suit present conditions, the scope of ordinary primary education may be extended in either of the two ways suggested above. Meanwhile, the progress of the vernacular boarding school for sons of substantial cultivators, village *patils* and small landowners, experimentally established of late at Bombay, should be watched.

" Sir, agricultural improvement is intimately associated with, and is to a large extent dependent upon, judicious settlements of land revenue. Left to themselves, the tenants can do little to introduce improved methods. They have not got capital, and the only capitalist in the village who has a substantial interest in such improvements is the landlord. Capital must

BUDGET.

[*Sri Rama Raya of Panagallu.*] [24TH MARCH, 1913.]

for years to come at least, be supplied by him. Co-operative credit societies may in time free the agriculturist from his dependence upon the *sowcar*, but the co-operative movement is new in India, and it will be enough if it helps the villager now to get money at a reasonable rate of interest for his pressing ordinary needs. For the application of the co-operative principle to production and agricultural improvement, we must wait long. State landlordism and forced cultivation which might ultimately result in improved agriculture, cannot succeed in a country like India. Even in Java where they have been tried, they were attended with signal failure. It is necessary that the landlord should have sufficient incentive to undertake large agricultural improvements. And the first effective condition, to my mind, is the introduction of long-term settlements. Unless he is secured in the enjoyment of the profits of his investment for a reasonably long period, no landlord would care to carry out improvements on his estate at his own cost. The period of settlements now varies in different parts of the country, and is generally much below the thirty years' limit fixed by the Secretary of State. A more uniform approximation to this maximum at least is an exigent necessity.

"Sir, the poor tiller of the soil has at least the comfort to know that he is the object of much philanthropic concern, but in India we have a still lower social stratum in which the members are denied the ordinary rights of humanity. The depressed classes are untouchables; they receive from the higher classes a treatment which is shocking to civilised notions; their very presence is abomination and their breath pollution They are allowed to wallow in ignorance, barbarism and degradation. They are condemned to a low life of utter wretchedness. They are forced to lag behind in the race for advancement. The Indian nation with its progress limited to a particular section is like a tree with its branches expanding in one direction. Its equilibrium is unstable, and it is ever exposed to danger. Sir, the uplifting of these classes is not only a problem which ought to be grappled with spirit by social reformers, but also one which from its economic effects deserves the serious consideration of Government. The depressed classes form a large proportion of the total population. Government can and should do something for the amelioration of their hard lot, by appointing them, wherever convenient, at least as menial servants in public offices, by settling them as peasant proprietors on lands reclaimed by irrigation, by inducing them to apply themselves to cottage industries, by encouraging missionary societies to form special settlements for them and by unfolding before them an altogether new and nobler perspective of life and life's work. A beginning can be made by the reservation of a portion of reclaimed lands for them at the public auctions, and by either remitting the price of the lands so reserved or by recovering it from them by easy instalments. I expect important results from these measures. Their appointment, be it in the lowest rungs, in public offices will necessarily bring them into contact with the higher classes and a higher order of society and will revolutionise their ideas about living, exciting in them an earnest desire for betterment by education. Their position as peasant proprietor will give them a recognised status in village communities. But the Hon'ble Home Member's reply to my question on the subject was not as encouraging as it should be. In the name of humanity I appeal to Government to formulate a scheme for humanising the *pariah*, if necessary, after proper investigation by a small committee. In this noble work Government will have the hearty and loyal co-operation of all right-thinking men.

"Another matter, Sir, which I would like to draw the attention of Government to is the admission into the commissioned ranks of the Indian Army after preliminary training of the scions of ancient families who now in many cases live in dangerous idleness. It will be a wise act of statesmanship to reclaim and employ them in the King's army and convert them into loyal and devoted supporters of Government. Years ago, under the sympathetic inspiration of His Royal Highness the Duke of Connaught, a proposal was in the air that a military college should be established in India on the model

BUDGET.

[24TH MARCH, 1913.] [*Sri Rama Raya of Panagallu; Khan Bahadur Mir Asad Ali,*]

of that at Sandhurst, for the training of respectable Indians with a view to their appointment to the commissioned ranks of the army; but somehow nothing practical resulted. The Indian Feudatory Chiefs have since then formed the Imperial Service Corps. But nothing has been done for the aristocracy of British India. The time has come when Government should take this question of military training and appointment of deserving Indians into their serious consideration.

"Sir, I cannot conclude without some reference to a reform, which is of paramount interest to us and which with years is becoming more and more pressing, but in regard to which this Government can only submit a proper representation to the authorities in England. With the reconstitution of the Legislative Councils on a popular basis, the people must make their voice heard in England through this Council. For more than a quarter of a century educated India has been agitating on the platform and the press for a thorough overhaul of the Council of the Secretary of State for India. We are grateful to Government for reforming it to some extent by the appointment to it of two Indian members for advising the Right Hon'ble the Secretary of State on all matters connected with the administration of India from the Indian standpoint. This is a great step forward. But it is desirable that something more should be done. I do not feel myself free on this occasion to undertake a detailed examination of the lines on which the Council should be reconstituted, but I beg leave to place before Government the growing desire of the people of this country for a more radical and comprehensive reform of the India Council, with the object that the Secretary of State may be formally informed of the existence of such a feeling among Indians."

The Hon'ble Khan Bahadur Mir Asad Ali:—"Sir, regretable as is the absence to-day of His Excellency the Viceroy, I rejoice that His Excellency has been restored to sound health.

"It is now my pleasant duty, Sir, to congratulate the Hon'ble Finance Minister and the Government on the satisfactory and successful Budget placed before the Council. During his regimé as Finance Minister, Sir Guy Fleetwood Wilson has been able to present prosperity Budgets, and the Financial Statement for 1913-14 leaves little room for criticism. Not only does it record a large surplus of about three and a half million pounds, twice as much as was estimated at the last Budget, but shows signs of increasing expenditure on objects of public utility. When Sir Guy Fleetwood Wilson first assumed control of our finances, he had the misfortune to face a large deficit of about £3$\frac{3}{4}$ millions. But he leaves to his successor an estimated surplus of about £1$\frac{1}{2}$ millions. On the eve of his retirement Sir Guy carries with him the sincere goodwill of his colleagues, and their high appreciation for service rendered to the Government of India.

"The needs of India to-day, Sir, are mainly educational, and I am happy to find that the Government of India has sufficiently recognised them, and provided large sums of money, especially for mass education. It is a matter for deep rejoicing that Government have committed themselves to a policy of extending truly popular education. The recent liberal policy pursued by Government has placed Indians under a debt of gratitude to the Government of India. Large as have been the recent grants made to education, they are not, and cannot be for some years to come, adequate to the growing needs of the country. Government ought, therefore, to be able to provide enough funds in the near future for the successful development of an extensive scheme of free elementary education. With increasing functions of Government in modern times it becomes the duty of the State to break down the general illiteracy of the large Indian population, ameliorate the condition of the poor and uplift morally and socially the so-called 'untouchables.'

"Sir, the present Budget proposes to spend on education a large sum of over six crores of rupees, a remarkable increase of nearly 2$\frac{1}{4}$ crores over the expenditure in the previous year.

BUDGET.

[*Khan Bahadur Mir Asad Ali; Rai Sri Ram Bahadur.*] [24TH MARCH, 1913.]

It is to be earnestly hoped that Local Governments will make vigorous efforts to utilise the sums placed at their disposal by carrying out each a definite programme of educational reforms without needless delay. In this connection, Sir, I feel it is my duty to express for myself and on behalf of my community deep thankfulness to the Hon'ble Member in charge of Education and Government for the following words of hope:—

'The Government of India are about to address Local Governments on the question of encouraging Mahomedan education generally, but they do not desire to delay any existing schemes, and they have no doubt that Local Governments, in distributing grants, will make provision for special Mahomedan institutions.'

"Attention, Sir, has to be paid to the development of commercial schools for Mahomedans. Mahomedans have greater inclination as well as aptitude for trade and commerce than their Hindu brethren. In Madras we have only three industrial schools for Mahomedans—two for boys and one, an embroidery school, for girls. More such schools are needed in large Mohamedan centres, such as Malabar, North Arcot, Tinnevelly and the Ceded Districts.

"Considering the importance of high liberal education, I urge on Government the desirability of increasing the number of Government scholarships awarded to brilliant Indian students for prosecuting their studies in foreign countries. At least half a dozen annual scholarships should be instituted in each of the major provinces. Government scholars on their return home have distinguished themselves in various walks of life. In this scheme of scholarships the claims of deserving and competent Mahomedan youths, few as they are, should be recognised, especially in Madras.

"In his Financial Statement the Hon'ble Finance Minister referred to 'a shadow in the financial sunshine.' In view, therefore, to the probable diminution of our opium revenue in the immediate future, means have to be devised for meeting the financial crisis. We need more and more revenue to meet our growing wants. Some of our customs duties on imported articles may have to be raised, or by some other means an additional revenue has to be raised. At the same time regard must be had to the fact that no new taxation should prove burdensome to the Indian taxpayer."

The Hon'ble Rai Sri Ram Bahadur:—"Mr. President, the Hon'ble the Finance Member, is to be heartily congratulated for presenting a Budget having many pleasant features. In India it seldom falls to the lot of a Finance Minister to present three successive Budgets of prosperity. The Hon'ble Sir Guy Fleetwood Wilson has, by his successful handling of the finances of the Empire, succeeded in performing this admirable task. Starting with a deficit of no less than three three-quarter millions sterling in 1908-1909, he closes the year 1912-1913 with a very large surplus. It is also gratifying to note that he has made the best use of this surplus. There could have been no more judicious distribution of it than done by him. The bulk of this money will be spent on measures which are sure to secure a steady progress in Education and in Sanitation. A sum of two and half crores has been allotted for non-recurring expenditure on the former head and one and half crores on the latter. This proper application of the bulk of the surplus to the two most deserving objects is sure to meet with universal approbation.

"The year which is about to close has very appropriately been characterized by the Hon'ble the Finance Member as one of prosperity and plenty. Opium and railways are the two principal heads of revenue which have contributed so largely to swell the Imperial revenues. Opium sales gave much larger sums than anticipated. Improvement in trade increased to a very considerable extent receipts from railways than were provided for in the Budget. These two sources combined have given no less than five millions over and above the estimated amount.

"The swelled receipts from opium cannot be looked upon otherwise than windfalls; nor can much reliance be placed on railways for giving increased incomes constantly. A question requiring the most thoughtful consideration

BUDGET.

[24TH MARCH, 1913.] [*Rai Sri Ram Bahadur.*]

arises regarding these two sources of revenue. The following statement will show the annual receipts from opium for the last ten years, from 1902-03 to 1911-12 :—

	Rs.
1902-03	6,74,76,576
1903-04	8,60,40,675
1904-05	9,03,22,491
1905-06	8,20,31,694
1906-07	8,49,07,922
1907-08	7,86,74,786
1908-09	8,82,71,824
1909-10	8,30,20,245
1910-11	11,28,29,433
1911-12	8,94,19,170

"The revised figures for the current year, *i e*, 1912-13 are Rs. 7,67,18,000. The estimated income for 1913-14 entered in the Budget is Rs. 2,16,75,000 only.

"The period fixed for the cessation of opium trade with China is drawing close. It will end within four years or so. The much lower figure of estimated income for the next year, as compared with that of the year which is now passing, as well as the figures for the preceding ten years given above, show what a substantial loss the Indian finances are going to suffer from the stoppage of opium trade with China.

"We have been told by the Hon'ble the Finance Member that the Chinese Government are enforcing anti-opium measures with steadiness. They are carrying out the campaign against poppy cultivation as well as against opium consumption with great vigour. The day, therefore, is not far off when opium revenue will become a thing of the past.

"The next item is Railways. No doubt Railways have contributed in recent years very large sums to the Indian Exchequer, but this rise in the Railway receipts has been since a short time only. As recently as 1908-09 Indian Railways were worked at a net loss to the Government. Looked from a financial point of view the return from the capital spent on Railways gives a narrow margin. The Hon'ble the Finance Member tells us that this return was only 4·48 per cent. in 1909-10, 4·66 per cent. in 1910-11, and 4·99 per cent. in 1911-12, and that there is very narrow margin between the rate of profit given by railway capital expenditure and the rate of interest amounting to about 4 per cent. which the Government of India has to pay on the sums borrowed in London markets.

"In these circumstances it is not safe to rely upon railways for surpluses. Income arising from them cannot be trusted as a stable asset Experience of the past fully justifies this position. Recent experience also leads to the same conclusion. The Hon'ble the Finance Member had to reduce his estimate of railway earnings given in the Financial Statement made on the 1st instant by £100,000 in the final Budget presented on the 20th instant. He tells us that this is due to a distinct falling-off in recent weeks in railway earnings and chiefly on North-Western Railway. Does not this afford a very good illustration of the instability of railway revenue?

"The total cessation of the opium revenue is sure to exercise a very great disturbing influence on the Indian finances. The time, therefore, in my opinion, has come to consider what steps should be taken to meet this contingency. Direct taxation being already heavy, the imposing of any fresh taxes is sure to meet with general disapproval. I would, therefore, take the liberty of suggesting that the Government will be pleased to appoint a committee consisting of official and non-official members of this Council who should go into the question thoroughly and submit a report as to the means to be adopted to meet the financial difficulties which are sure to face us in the very near future.

"The cost of the construction of the new Imperial Capital at Delhi is another important factor which is certain to affect the Indian finances in the coming years. In his speech made at the time of presenting Financial Statement last year, the Hon'ble the Finance Member was pleased to say that out of

BUDGET.

[*Rai Sri Ram Bahadur.*] [24TH MARCH, 1913.]

the three possible alternatives, described by him for financing the building of the new Capital, the most suitable one was to place these works on the same footing as railways and irrigation works, treating them as Capital expenditure and meeting them partly from loans and partly from the amount that may be spared out of the general revenues after meeting the ordinary administrative needs. He was further pleased to say that this course had been adopted with the full approval of the Secretary of State for India. But in my opinion the adoption of this course may result in one great disadvantage. It may lead to the contraction of the non-recurring grants required in future years for carry-out the educational policy of the Government to its full extent and for measures necessary for further improvement of sanitation. Such a state of things is most probable in years of straitened circumstances. These two are the most important heads on which large increase in expenditure is required in future years, and the bulk of the surpluses ought to be devoted on the furtherance of these two objects The cost of the new Imperial City for these reasons ought to be met from loans alone. It is but just that not only the present generation but the future ones also ought to bear the burden of a portion of the cost of building the new Imperial Capital, in the shape of interest which will have to be paid on the loans raised for the purpose.

"As I have said before, the utilization of the bulk of the surplus for education and sanitation is the most gratifying feature of the Budget. The bulk of the opium surplus of the current year and also of the surplus of ordinary revenue has very judiciously been allotted as non-recurring grants for the promotion of education. A recurring grant also of 55 lakhs of rupees has been made for promoting education in its different branches. These allotments will no doubt remove a number of pressing wants and furnish means for securing steady progress in the future.

"When moving a Resolution for the increase of recurring expenditure on Education for the United Provinces I pressed before this Council the immediate requirements of those provinces. That the provinces require a special treatment at the hands of the Central Government with respect to sums to be spent on Education will be made more clear from the following facts. At the census of 1901 there were 6,286,409 boys of between 5 and 15 years of age of whom only 180,306 were literate, the rate of literacy thus being 2·90 per cent. At the census of 1911 there were 6,319,908 boys of similar age, of whom 232,162 only were literate, giving a rate of 3·67 per cent. A much more regrettable condition is shown in the case of girls. In the census of 1901 the number of girls between the ages of 5 and 15 was 5 389,839 of whom only 11,401 were literate. At the census of 1911, their number was 5,305,089 of whom only 26,102 were literate. These figures show that the progress of education in the United Provinces has been very slow in the last decade in comparison with other provinces. No efficiency or real progress can be expected in the national life of a people whose educational condition is so backward. To remove illiteracy is one of the noble missions of the British Government. The people of the United Provinces are grateful to the Government for the great activity shown during the last few years in advancing education amongst them and in spending larger sums for the attainment of that object. The additional grant of 48¾ lakhs for non-recurring expenditure and the assignment of 6·38 lakhs more for recurring expenditure entered in the Budget will no doubt help them a great deal in the advancement of education. But for securing a steady and marked progress a still higher sum, both in the shape of recurring and non-recurring grants, is required in the coming years.

"Sanitation is another head which has received a very large share of the surplus. The Government has of late fully realized the importance of sanitation. But it is since the establishment of the Department of Education that activities are being shown in every branch. In the Budget a sum of Rs. 150 lakhs is allotted for non-recurring expenditure and 36½ lakhs for recurring. The share of the United Provinces under both these classes of expenditure is 27½ lakhs and 6 lakhs, respectively. But the whole amount of 27½ lakhs is earmarked to be spent on urban sanitation. As regards rural sanitation it is

BUDGET.

[24TH MARCH, 1913.] [*Rai Sri Ram Bahadur.*]

left to the Local Government to devote a portion of the cesses which are to be set free—for the improvement of water-supply, for anti-malarial measures, for the protection of grain stores in plague affected areas and for general sanitation of villages and small towns. It is a matter of regret that the Central Government did not see their way to allot a definite sum out of the surplus to be spent on rural sanitation. Sir, United Provinces deserve special consideration for the improvement of their sanitation both in urban and rural areas. This proposition cannot have a more telling support than from the high rate of mortality shown by the Census figures of 1911. Of the major provinces, the United Provinces and the Punjab occupy the unenviable distinction of showing a decrease in their population instead of the usual increase which is generally found not only in India but in other countries also. The decrease in the United Provinces population is to the extent of 510,233. I give below a table giving the increases and decreases in the principal Indian provinces in the last Census as compared with the previous one :—

NAME OF PROVINCE.	Population according to the Census of 1911.	Population according to the Census of 1901.	Increase or decrease.
Burma	12,115,217	10,490,624	1,624,593 (Increase)
Eastern Bengal and Assam . .	34,018,527	30,510,344	3,508,183 „
Bengal	52,668,269	50,715,794	1,952,475 „
United Provinces and Oudh . .	47,182,044	47,692,277	510,233 (Decrease)
Punjab	19,974,956	20,330,337	355,381 „
Bombay	19,672,642	18,559,650	1,112,992 (Increase)
Central Provinces and Berar . .	13,916,308	11,971,452	1,944,856 „
Madras	41,405,404	38,229,654	3,175,750 „

"The people residing in towns and cities can have their voice heard and get sanitary improvements but the voiceless millions living in the rural areas have no such means. The mortality from plague, cholera, malaria and other diseases is very high in the rural areas. It is obvious that the amount to be spent on the improvement of rural sanitation ought to be much higher than required for cities and towns. I hope that in the next Budget a special allotment will be made both on the recurring and non-recurring side for improvement in rural sanitation.

"The appointment of a Committee under the Chairmanship of the Hon'ble Major Robertson, Sanitary Commissioner with the Government of India, consisting of official and non-official members who are to visit places of pilgrimage and submit a report for the improvement of sanitation of those places is a very important measure and shows the solicitude of the Government to take measures for the benefit of the health of the millions of pilgrims who resort the sacred places. It is hoped that the report submitted to the Government will contain a complete scheme for the improvement of water-supply, lodging house and general sanitation and that the Government will lose no time and spare no costs in effecting improvements in this direction.

"It is needless to say that since the creation of the Department of Education a new life has been infused into the Educational policy of the country. The programme indicated in the resolution of the 24th February 1913 when fully carried out will place all branches of Education on a sure and sound footing and will confer on the people of India the full benefits of Education given on Western lines.

BUDGET.

[*Rai Sri Ram Bahadur; Maharaja Ranajit Sinha of Nashipur.*] [24TH MARCH, 1913.]

"Another topic of general interest on which I beg to offer a few remarks is railways. When the Railway Board was created in Lord Curzon's time the travelling public looked forward to get greater comfort and better convenience in their railway journeys. It must be owned that much has been done in this direction. But the insufficiency of the rolling stock, specially of coaching vehicles, is still a matter of general complaint. I know at least of one line that when there is a great rush third class passengers are still carried on in long journeys huddled together like inanimate objects in wagons constructed for the transit of goods. The number of wagons for goods traffic is also inadequate. The trading classes are not supplied with them in time for carrying their goods to sea-ports to be taken to foreign countries and much time is lost in this way. The figures given by the Hon'ble Sir T. R. Wynne, in reply to a question of mine, show that while the extension of the mileage in the three State Railways, namely, North Western, Oudh and Rohilkhand and Eastern Bengal Railway, has been 1,135, 426 and 489, respectively, in the decade which ended on the 31st December 1912, the number of passenger carriages added to the rolling stock, during the same period has been 428, 107 and 226 only, and the number of goods wagons newly built has been 11,887, 1,822 and 4,125, respectively, on the above-named three State-owned railways. These figures show that while the number of goods wagons has increased to a large extent the increase in the number of passenger vehicles, has not been in proportion to the additional miles newly opened for traffic. This is the condition of things on the lines owned and worked by the Government. As railways are now one of the most paying sources of revenue the comfort of the passengers, specially of the third class who contribute by far to the income, must be the first care. The exporters of goods also must get greater facilities for despatching their articles with the minimum possible loss of time. I hope that in the next year's Budget a more liberal provision will be made for building new vehicles of both kinds.

"Before I conclude there is one matter regarding which I ask your permission to make a few remarks. The Hon'ble Sir Guy Fleetwood Wilson has told us that the Budget now under discussion is the last which he has presented to this Council. The manner in which he has dealt with the finances of the Indian Empire, the objects on which he has devoted the large surpluses, and last though not the least, the sympathetic care which he has shown and the action which he has taken on measures beneficial to the public have earned for him the gratitude of the Indian people, and our earnest wish is that his prediction will remain unfulfilled, India will still get the benefit of his services for some time longer, and this will not be his last Budget."

The Hon'ble Maharaja Rânajit Sinha of Nashipur:—"Sir, at the outset permit me to express our joy at the recovery of His Excellency the Viceroy, and we hope that, in a very short time, he will be as strong as before, and we shall have the privilege of seeing him presiding at our deliberations at the next Session.

"Sir, permit me also to offer my best congratulations to the Hon'ble Finance Minister for the satisfactory and prosperous Budget he has laid before the Council. Five years ago when he took charge of his portfolio the finances were in great disorder, and by his ability he has been able to bring them round to their present condition. Sir, I think he is right in not reducing any taxation by depending upon the prosperous Budget; but if in future years we find that our prosperity continues, I think the question of reducing taxation ought then to arise. After the Burma war during the time of Lord Dufferin, when the income-tax had to be imposed, it was considered to be a temporary tax; but, Sir, a long time has elapsed and nothing has been done except giving some relief to certain persons, that is, persons whose income is below Rl,000 a year. In these hard days of living, Sir, I think from the highest to the lowest everyone feels this tax, and I hope a time will come when we shall either see this tax abolished, or if that cannot be done, some further relief will be given in this respect.

BUDGET.

[24TH MARCH, 1913.] [*Maharaja Ranajit Sinha of Nashipur.*]

"The Government has already reduced the tax on salt, and I hope that in the near future we shall see this tax abolished.

"We are grateful to the Government for the Educational Policy which was published in the *Gazette of India* recently. With reference to primary education, the Government is not satisfied with the increase of schools only, but has also given attention to the matter of efficiency which is the most important thing. I am afraid even on R12 a month trained teachers will not be available for primary schools. However, the beginning is a good one, and we should wait for the results. The Education Department, as a whole, is not very well paid. I think the teachers of the High Schools as also the Professors of the Colleges should be so well paid that they may be able to devote their whole time and energy to the good of the institutions in which they are engaged.

"We are grateful to the Government for the advancement of female education in this country. The time has come when our countrymen appreciate and think that there should be a spread of female education. But there is one difficulty in the way. According to the custom prevalent, in some parts of India, the girls after they have attained a marriageable age are not allowed to attend schools. So, Sir, I think if some trained lady teachers are appointed to go round to the houses in the interior of the districts to impart education to ladies in the zenana, in a few years there will be real advance in that direction. In some villages Pardanasheen ladies may assemble in the house of a respectable neighbour and the lady teachers might with advantage go there and impart lessons to them.

"We are also grateful to Government for giving over the public works cesses and other similar cesses to the district boards for the improvement of rural water-supply and sanitation. I should like to draw the attention of the Government to one thing. In the interior of the districts there are no dispensaries, and it is not possible for the people who are living there to go to the suddar for medical treatment. In former times the people were accustomed to take Ayurvedic and Hakeem medicines which were less costly: but these systems are fast disappearing. In some provinces, as in Bengal, the Government deputes sub-assistant surgeons to go to the interior of the districts for the distribution of quinine and for treating patients at the time of malarial outbreaks. But, Sir, there are very few districts where there are no diseases all the year round. I have personal experience of Bengal, and from reports I also find that in the United Provinces and the Punjab, malaria has also appeared, plague, cholera and small-pox break out at almost all seasons; so it is essential that district boards should open small outdoor dispensaries for the treatment of patients, one in each Thana. Residents of the villages can very seldom afford to call doctors, and there are places where there are no doctors at all; so, unless there is a dispensary in the neighbourhood of each village it is impossible for the people to have any medical aid and thousands of them are dying for want of medical relief. When the Government is going to make over these cesses to the District Boards, I think they may be enjoined to open dispensaries at least in suitable places in the interior of the districts. Then, Sir, as regards Mufussil municipalities, their position is no better than that of the district boards. The grant which the Government has given to the district boards will not go to the municipalities. There are many towns in which the income of the municipality is so limited that they cannot afford to devote much money even to conservancy, and so it is impossible for them to set apart from their income a portion for sanitation, water-supply or drainage In reply to a question in the Bengal Legislative Council, the Hon'ble Sir William Duke said that there was no scheme before the Government and no one applied to take the money. Is it possible that the municipalities are so negligent of their own condition and that they will not take money when offered to them? The thing is that Government wants to contribute only one-third of the estimated cost of drainage and water-supply, and the municipalities have to meet two-thirds, and as a rule it is not possible for a mufassal municipality to afford to pay so much as two-thirds, and so they are reluctant to submit schemes to the Government

BUDGET.

[*Maharaja Ranajit Sinha of Nashipur; Sir G. M. Chitnavis.*] [24TH MARCH, 1913.]

lest they might be forced to contribute a sum beyond their means. In several municipalities large sums will not be needed and schemes may be pre-prepared at a less cost according to their necessities of the place. The Government might then be able to judge how far the municipalities could contribute and then call upon them to pay their share, and the rest might be contributed by the Government as a grant to the municipalities.

"As regards the police, we find that there is a big increase under this head: but from my personal experience I could say that the sub-inspectors in charge of the respective thanas are so much handicapped in submitting reports and returns that they seldom get time for investigating crimes, and the result is that in many cases the crimes are left undetected. In my humble opinion a separate investigating officer should be posted at each thana who will devote his whole time to the investigation of cases. Sir, we often hear now-a-days of outrages on the lives and property of passengers travelling by rail, and as our income is to a great extent derived from railways, something should be done for the safety of the passengers. I think that a detective officer should travel with each train in order to watch the doings of persons who assemble on the platforms of stations.

"One thing also as regards court-fees: we derive a good income from our law-courts and so naturally the suitors may claim some relief. The amount of litigation is fast on the increase. In some cases the debtors, not in order to avoid payment, but on account of their poverty cannot pay off their dues to the creditors in time and the creditors also, in order to save limitation have to institute cases. But when the debtor finds that he shall have to pay the entire amount of the court-fees even if he give an *ex parte* decree or compromises the case, they naturally think that it is to their advantage to protract cases. I appeal to the Government that in cases where the court has no trouble, that is in the beginning if cases are decreed *ex parte* or if there be compromise, some portion of the court-fees might be remitted. I understand that in the Calcutta Small Cause Court, half the amount of court-fees is remitted in such cases.

"One word more and I am done. Sir, I beg to convey my grateful thanks to the Government for the accommodation provided for us—non-official members in Delhi. In Delhi, it would have been very difficult for us to get a single house, and so we are particularly grateful for the accommodation provided. We hope that in the near future we shall have better accommodation so that when coming here to perform our business, we may be able to bring our families with us."

The Hon'ble Sir G. M. Chitnavis:—"Sir, it is customary for His Excellency the Viceroy to preside at the last meeting of the Session, and his absence to-day is a matter of sorrow to all of us. We are, however, glad that he is convalescent, and I hope when we meet again at Simla we shall have His Excellency among us, full of vigour and his accustomed cheery spirits.

"Sir, the Budget under discussion testifies to the admirable way in which the Hon'ble Sir Guy Fleetwood Wilson has managed our finances. The allotments bear the impress of his sympathy and statesmanship. He has financed education and sanitation with a liberality which cannot but appeal to us. I sincerely hope, though far away from India,—a country he has loved so well—he will still be able to do her good, and I hope from a higher sphere of action. I associate myself with what has been said of him by the other members, and I assure him that when he leaves he will carry with him the esteem and regard of the whole country.

"Sir, if here I refer at all to the loss of our opium revenue, it is only to emphasise the fact that India still claims adequate compensation for it from the British Exchequer. I am sorry I cannot agree with my friend Mr. Fuzulbhoy on this point. I do not discuss the question in detail, as I shall

BUDGET.

[24TH MARCH, 1913.] [*Sir G. M. Chitnavis; Mr. Pandit.*]

shortly have an occasion to speak at length on it; but the people expect that this Government will be pleased to submit to the Home Government a proper representation on the whole subject.

"Sir, I see that Government has made mention of a University at Nagpur in their recent Educational Resolution, but no provision has been made in 1913-14 for the establishment of that University, and I appeal to Government for an early and favourable decision on this point.

"Sir, as a representative of the Central Provinces, I repeat the prayer that Government will also favourably consider the question of raising our Provincial Government to the status of a Lieutenant-Governorship before long.

"Sir, I am glad that much is being done to extend irrigation in my Province, but I take this opportunity to refer to two other measures which, in my opinion, are absolutely necessary for agricultural India. Agriculture is our principal industry, and long-term settlements of land revenue, for their important bearing and wholesome influence upon its improvement and the material condition of at least four-fifths of the people, should be introduced. The existing settlements are not for a sufficiently long period. The view that long-term settlements are injurious to the interests of the community and are profitable only to a particular class, is fallacious. As a matter of fact, both the landlord and the tenant derive equal benefit from such settlements. I am glad mention has been made of the subject by Hon'ble Sri Rama Raya in his speech to-day.

"Sir, as a check upon too great sub-division of land and the preservation of aristocracy the English law of primogeniture and entail should be extended to India with necessary modifications. Our Mahomedan fellow countrymen have now got, thanks to the benevolent policy of Government, a wakf law which can and will ensure them reasonable security against minute sub-division of property. The Hindus should also move for a change in their law of succession with a view to attain a similar end. Government obviously cannot undertake such legislation, and a private Member's bill is the only means of effecting the reform; but Government, it is hoped, will be considerate in their treatment of such bill, if prepared. Sir, these are the few words which I wish to contribute to the Budget discussions this day."

The Hon'ble Mr. Pandit:—"Sir, it is an advantage to many of us that the Hon'ble the Finance Member is not in the chair to-day, for as on a previous occasion he might have ruled out of order most of us who are so genuinely eager to give expression to the sentiments which are uppermost in our minds—sentiments which are corelated to those expressed by the Hon'ble Sir Guy Fleetwood Wilson himself on the 1st of March in the few and simple but touching words with which he concluded the account of his stewardship of the finances of the country during the last five years. Hon'ble Members who have sat in this Council for years have had greater opportunities of appreciating the work and the worth of the Hon'ble the Finance Member, in the advancement of the best interests of this country, and they have in no uncertain terms given expression to their appreciation; and although I—and many other Hon'ble Members like myself—have been in these seats for less than two months, I am happy to be able to associate myself fully with the observations which have been made by the Hon'ble Members as to the admiration which the Hon'ble the Finance Member has won from us and the high regard which we all entertain for him as well as the good wishes he carries in his retirement. With these observations of a personal nature I now turn to the subject upon which the Council is engaged.

"Sir, the Hon'ble the Finance Member has justly received the congratulations of this Council upon the success which has attended his efforts in steering the ship of Indian finance to a safe haven. The surplus from ordinary revenue which he was able to announce is an abundant one, exceeding over 6 millions sterling, while that from opium is about 1½ million pounds, and the manner in which the greater part of the former (over 3 millions) and a third of the latter (£460,000) have been

applied to the objects of great utility, in respect of which both Government and the people are agreed, is sure to meet with general approval. In saying so, however, and in expressing our gratitude for the devotion of the surplus to such useful objects, I hope I shall be permitted to make a few observations expressing the desire that the surplus might have been more evenly distributed, over the country, and certain provinces which deserve more consideration at the hands of the Government of India had received their due share. Sir, the Hon'ble the Finance Member in presenting the Financial Statement, said that the Government of India desired to make the provinces partners in their fortune. Whether this partnership be looked upon as one based upon a contract, or whether the Imperial and Provincial Governments be treated as members of a joint and undivided Hindu family owning a business—from whatever point of view it be looked at—I may be permitted to say that partners have not all been treated with equal consideration.

"I refer more particularly to the province which I have the honour to represent in this Council. Sir, the Government of India in their resolution, dated the 21st February last, declaring their Educational Policy have been good enough to announce that with a view to satisfy the aspirations of the people they contemplate the establishment of Universities at Rangoon, Patna and Nagpur. I am, however, surprised and sorry to find that, while Rangoon and Patna have received a grant of 8 lakhs of rupees each from the bountiful surplus at the disposal of the Government of India, Nagpur has been left altogether in the cold. I am free to admit that the progress with regard to the schemes in Patna and Rangoon might be greater or is perhaps greater than it is with regard to Nagpur University. Nevertheless, since the Government were aware of this scheme, and as a year like the present—as the Hon'ble the Finance Member has reminded us—is not likely to come again for some time and so large a margin as in the present year is not likely to be left for distribution of substantial sums of money among the provinces, and, further, as grants have been made in anticipation of future liabilities I should have been glad indeed if the Hon'ble the Education Member—with your permission I would correct myself and say (*to the Chair*)—if you, Sir,—had not circumscribed your view of the needs of the immediate future, but had taken stock of the requirements of a few years beyond it and made a similar provision for a University at Nagpur.

"Sir, while I am on this subject of the distribution of the non-recurring grant of two crores and a half, I should also like to draw the attention of the Council to the keen desire for the establishment of an Arts College in their midst evinced by the people of Berar. As far as I can see in the allotments made under the various heads, there is none for such an institution. I have no authority to speak in this Council on behalf of the people of Berar, but I know that they are eager to have such a college in their Division, and I fully sympathise with them in their aspiration. Berar, Sir, is a rich tract, and, as Rao Bahadur R. N. Mudholkar when he sat in this Council made a point of drawing the attention of the Government to the circumstance it has been contributing substantially to the resources of the province with which its fortunes are at present allied. I should, therefore, have liked the Government of India to have made some provision for this object also.

"Sir, the need for a larger expenditure, recurring and non-recurring, on education in the Central Provinces and Berar—on education, collegiate, secondary and primary—is great and peremptory. It will be remembered that at the September Session of the Council, Mr. Mudholkar put some questions with regard to the pay and prospects of professors in Government colleges who had been recommended long ago by the Administration of the Central Provinces for such enhancement as were justly entitled to; but owing to the appointment of the Royal Commission on Public Services the question was, I believe, shelved, and I have now only to express the hope that in the light of the answer given by you to one of the questions put a few days ago in this Council, the Local Administration will be in a position to grant such allowances of a permanent nature as have been already granted in other

Provinces at least to those members of the Provincial Educational Service who are specially deserving of promotion.

"With regard to secondary education, again, there is a similar demand for the improvement of the position of teachers in high schools. Its satisfaction will stimulate the efforts of those already engaged in the responsible work of the training of youth as well as a better class of men to the calling. The policy of Government of establishing a Government or a model high school in every district has yet to be carried out in its entirety in the Central Provinces. There are a few districts, Sir, which are eager to have such high schools, and I hope that with the grants which have been made for the secondary education, it may be possible for the Local Administration to comply with the request of those districts in this connection.

"Closely allied to Secondary Education is the subject of the establishment of schools for training young men for professions such as Engineering and Medicine. In connection with the Victoria College of Science at Nagpur an Engineering Department is going to be opened. The Victoria Technical Institute cannot accommodate both, and if the work is to be satisfactory a new and suitable building must, with considerable outlay, be constructed to hold them together, and adequate funds provided for the maintenance of the institutions. Similarly although the special grant of a lakh and a half made under head 'Medical' for Hospitals, etc., may be drawn upon for the revival of a medical school the need whereof was demonstrated by the difficulty experienced for years in securing the services of Sub-Assistant Surgeons sufficient for provincial requirements, yet as the Hon'ble Home Member said on the 8th instant pecuniary aid might well be expected, Sir, for such institutions from the sums at your disposal. I earnestly hope that no false economy will be permitted to prevent the equipment of these institutions with an efficient staff of lecturers and adequate appliances.

"Lastly, there is the great question of Primary Education to which, after the debate of last month on the Hon'ble Mr. Gokhale's Resolution, I shall only briefly advert later on in dealing with the position of local bodies, to whose care it is almost wholly committed.

"The financial difficulty is the one that has stood for long in the way of Educational progress in the Central Provinces, and there is a great lee-way to make up. The grants that have been made of recent years to the Province in common with other Provinces should, therefore, prove barely sufficient for works already in hand to be completed and small reforms to be started, and it would be hoping against hope to see any accumulation of funds for any new and important project, unless, of course, the Local Administration fails to utilise the grants on the objects for which they have been allotted.

"Education, Sir, is not the only object in respect of which there is the peremptory necessity for a liberal outlay in the Central Provinces. Local Government whether it is the administration of rural affairs by District and Local Boards, or of urban areas by Municipal Committees—requires for its due development a great deal of improvement in the finances of those institutions I have intended, Sir, to move a Resolution in this Council asking for a grant of 5 lakhs with the object of strengthening the resources of these local bodies, but in view of the large discretionary grants made by Government I thought that the Local Administration might be able to help them. Now, with regard to larger municipalities, I think they have been carrying on their work with considerable success and with the aid of the large Sanitation Grant made to them have been able to discharge their duties, satisfactorily but with regard to the smaller municipalities, and these include several at district head-quarters, the need for strengthening their resources remains unabated. Among other objects provision of an adequate supply of potable water to the people of such towns is one of the utmost urgency.

It involves costly schemes for water-works. This would naturally put a heavy strainon Provincial Resources, and the Local Administration, will therefore, have to make the best of the grants that have been made to it in trying to improve the present state of things by meeting to some extent the growing demands of municipal committees.

"With regard to district councils the case is still worse. Their income is limited practically to the collections of provincial land cesses, realization of cattle-trespass fines and rather the surplus of income from pounds and the doles made from Provincial Revenues from year to year. These provincial grants have been more or less of a fixed nature, and for several years past no addition worthy of mention has been made to them. Now, Sir, with regard to the Provinces, in which the Government shared the income derived from cesses on land with the local bodies, the Hon'ble the Finance Member the other day announced the Government of India's determination to allow the income from them to be made over to District Boards and thus to strengthen their resources and afford wider scope for their activities. The position of the District Councils in the Central Provinces which for several years past have been receiving the entire collections of the cesses is in no way improved.

"Their sphere of activity is very wide including, as it does, Education, Public Health and Communications. Without disregard of the just claims of other objects they have fostered Education to the best of their ability, but have only succeeded in improving schools already established and have not been able to increase appreciably their number. Funds have only just begun to be furnished them for an expansion of Primary Education. Some of the District Councils have all these years borne also the cost of a few Anglo-Vernacular Schools, and it is gratifying to see that they are at last about to be relieved of the burden. These local bodies bear the cost of Vaccination Establishment, contribute largely to the dispensaries both at head-quarters and in the district, maintain veterinary dispensaries, sink tanks and wells to supply drinking water in rural areas, with the aid of contributions, no doubt, from Government as well as the villagers, and they also bear no small a share of the cost of plague-preventive measures. They maintain several of the metalled roads and even construct new ones through their own Engineering staff and they are also bound to keep up village-roads. With such a wide range of duties their limited income is almost wholly absorbed by recurring changes and even—as there have been instances—some public spirited gentleman comes forward with a large donation for a useful object—say the starting of a dispensary the cost of construction whereof his donation is intended to meet—the District Council feel great hesitation in accepting the offer for fear of incurring the liability in respect of a portion of the maintenance charge inrespect of the institution which they may find it difficult to discharge. And all this in spite of the desirability of opening dispensaries and affording medical aid to the people in the interior of the District ! Sir, I should have expected these requirements of my Province to be met at least in the same liberal spirit as was displayed towards Assam. Too much importance cannot be attached to objects which are meant to promote the happiness and prosperity of the masses and it is in their interests that I have dwelt on this subject at some length. I have instanced a few of the principal requirements for the steady development of my Province but, no doubt, the Local Administration has to arrange for communications by means of feeder roads between Railway stations, where new lines have been opened and important towns or villages in the vicinity. I could multiply instances where the demand is great. All these objects must very seriously tax the resources of the Administration. I hope, Sir, that in the event of the grants made to the Central Provinces proving insufficient, and in the event of the Administration coming up to the Government of India with a request for supplementing these grants the Government of India will be well disposed towards the request and will meet such demands in a liberal spirit from some savings or the portions of the grants to Education and Sanitation which they have kept in reserve with themselves.

BUDGET.

[24TH MARCH, 1913.] [*Mr. Pandit; the President; Raja Jai Chand; Sardar Daljit Singh; Sir Ibrahim Rahimtoola.*]

"Sir, in conclusion, I have in the seconds left to me only to say that it is as much with a view to publicly drawing the attention of the Provincial Administration as to making to Government of India this appeal that I have referred to these matters because the Central Provinces do not at present have a Provincial Council of their own, and to express the hope that it will come soon and that in its wake will follow the raising of the status of the Administration to that of Local Government."

The President:—"I have given the Hon'ble Member a minute over his time, and I must therefore now ask him to resume his seat."

The Hon'ble Raja Jai Chand:—"I have no observation to offer on the Budget proposed for the coming financial year 1913-14, as it stands in its final form nor on the changes, in figure as compared with those entered in the Financial Statement, or on what the Government have in the way of better or worse, *gained or suffered*; however I shall not moan the loss of revenue caused by the fall of the sale of opium as it is my sincere wish that people will desist from the use of this pernicious drug. I am glad to say that the present condition of my province seems satisfactory to me and as such as does not leave any room for complaint. In conclusion I beg to thank the Government and the Hon'ble Financial Member for all what they have so kindly done to meet the requirements of both the public and country in each line of their demands."

The Hon'ble Sardar Daljit Singh:—"I beg leave to make a few brief observations on our annual prosperity Budget laid before us by our worthy Finance Member whose masterly handling of the subject in all its details leaves nothing unelucidated. The only discordant note is the loss of income from fall of sale of opium abroad. It is, however, my pious wish that the Chinaman will eschew this degenerating and pernicious narcotic. I would wish indeed my own countrymen also to desist from the use of the drug. I shall not, therefore, mourn the loss of revenue on this head. We hope to make up the deficit, ere long.

"Now, Sir, about the Delhi expenditure. The Budget speech has removed all possible misconceptions on the subject, placing the matter above all criticism. We shall soon witness the ancient capital rehabilitated with all the splendour and embellishment to which it is rightfully entitled, and in a few years hence point to a model capital combining in itself all that modern science of architecture can provide—'in capital,' to quote the words of Hon'ble the Finance Member, of a contented Empire, the abode of peace and prosperity, of wise and prudent counsels, and I may also add that the Imperial capital will be the envy of the world if not absolutely unique in itself. It will be the genius of that ideal administrator whose equilibrium of mind nothing can ruffle or disturb, which will achieve the accomplishment of the gigantic task.

"Coming now nearer home I should have expected a larger allotment from the Imperial exchequer for my province 'the spear head of the Empire,' whose needs are manifold. Were it not that our Local Government and the departments under it husbanded our resources and income so well that its financial position has been improved affording a protection for the future, I would have made a point of complaint on the score of placing us on par with similar administrations for the share of Provincial allotment.

"On the whole, we have to congratulate ourselves on the prosperous year that is just to close. While fully supporting the Budget, I cannot help regretting that we shall be deprived for succeeding years of the expert knowledge of our present Finance Member, whom we all wish to detain if we could and whom we can ill afford to spare."

The Hon'ble Sir Ibrahim Rahimtoola:—"Mr. President, nothing would be easier or pleasanter than to join in the chorus of appreciation and congratulation which has been showered in this Council on what is termed a prosperous Budget, and the prosperous condition of Indian finances. Now, Sir, if the figures, as indicated in the Budget, really represent a pros-

BUDGET.

perous India in the real sense of the term, no one would be more ready to join in those congratulations than myself. But I do not think it can seriously be contended that because there is a large surplus in the Budget estimates, that therefore India is necessarily more prosperous.

"I will deal with the two items to which reference has been made in the Financial Statement, namely, the progress which agriculture has made and which trade has made; and I will also deal with the question of the balance of trade in favour of India, after payment of the liabilities to the Secretary of State for home charges, interest on debt incurred and other items and if as the result of that, we find that the country is growing prosperous, then I am quite prepared to admit that it is a matter for great congratulation.

"Well Sir, to take the point of the surplus first, it appears to me that a large surplus indicates that the State has taken more money from the people than it was justified in doing. Sir, before I deal with the principles underlying taxation, I will refer to what the Hon'ble Mr. Fenton said that if the Members of the Government of India consisted of a Board of Directors of the 'Indian Empire Trading Company,' then I am quite sure the result, as indicated by the Revised Estimates, would be pre-eminently satisfactory, and the claim which the Hon'ble Member put forward for a substantial portion of the profits to go to the officers of that Company as a bonus, and as a contribution to provident fund would be unanswerable. Sir, the Empire of India Trading Company would show that, after meeting all the liabilities during the current year, the profits of the Company were so large that there was a huge surplus for distribution amongst the shareholders; but unfortunately the analogy does not apply. The Government of India receive in the form of taxation money required for the purpose of carrying on the administration of India, and the principle underlying all levying of taxation is that a State or a public body authorised to impose taxation is not justified in taking from the people sums appreciably in excess of what their actual requirements are for the purpose of carrying on that administration. Sir, I do not wish to go into the causes of how this surplus was obtained, except as to one or two points to which I will refer later on. There is one feature at all events of the Budget which is very satisfactory, and that is that this surplus, whatever causes may have contributed to it, is proposed to be utilised in a manner which has received the unanimous approval of this Council and the public.

"Now, Sir, I will deal with one of the items which has led to this large surplus. I mean the profits made on the Railways in India, which I think calls for some remarks. The present Revised Estimates show that the net return on the expenditure on railways in India, will be 5·89 per cent., or in other words, after meeting all liabilities (if I remember the figures correctly) there is a profit of over $5\frac{1}{2}$ crores. Now, Sir, I am one of those who believe that the sources of State taxation are quite apart from those sources of revenue which are obtained for services rendered. In all Legislative enactments constituting municipalities, district local boards and other public bodies, it is laid down that, in the case of water-supply, drainage and other items of services to be rendered, that these public bodies shall not levy a percentage of taxation in excess of the expenditure incurred in regard to those services. I find that the Government of India are also practically following that principle in the matter of Posts and Telegraphs, where the figures practically work out to approximately the same. In the matter of railways, there is a very large sum which is taken from the public as profit. Now Sir, it appears to me that railways are also an item of services rendered, and therefore the large profits derived from railways ought not to be regarded as legitimate sources of revenue for the purpose of administration in the same manner as collections from taxes such as Excise, Land Revenue, Salt, etc. These two classes ought not to be put on the same footing. Sir, the Government are practically a monopolist in the matter of railways. All the trunk lines belong to them, though they are worked by private companies. If Government are so inclined and if some such restriction was not accepted of not making large profits out of this monopoly then by the mere raising

BUDGET.

[24TH MARCH, 1913.] [*Sir Ibrahim Rahimtoola.*]

of rates any amount of revenue can be derived, and that would clearly be for all purposes additional taxation on the people of this country without calling it by that name.

"I should like to know—and I will probably put some interpellations at the next meeting of the Council in Simla to find out—in what proportions this extra revenue is derived from the two main sources, the first source which is a perfectly legitimate one, *viz.*, the larger movement of trade and commodities, as evidenced by the growth of both our import and export trade dealt with in the able memorandum which the Finance Minister has placed before the country, and secondly what portion of it—that is a point which I think is of considerable importance—what portion of it is due to the increase of rates on goods and passengers carried by these railways. I think it would be interesting to know when the financial results of working the railways at the present time are so eminently satisfactory, as is proved by the figures whether there has been any increase in rates. If so, it is obvious that there has been no justification for such increase. I do not wish to urge that the whole of this extra revenue from railways should be utilised in reducing rates, but I do maintain that, in addition to providing large sums of money, as is actually done in the present instance, for the extension of railways in the country, a portion at all events of this large amount ought to be earmarked for encouraging what I would call inter-territorial trade in India itself as one of the items of promoting indigenous industrial enterprise in the different parts of the country. Sir, in one of the debates in this Council a year or two ago, the question was prominently brought forward that the railway rates were fixed in view of the long distances which imported goods alone would cover before they reached their destination. There is a marked difference in the scale of rates charged for imported goods which necessarily are carried over long distances, as against goods manufactured in the interior of India and carried to other parts of India. I venture to submit, Sir, that if the railway administration is earning such substantial profits, a portion at all events of those profits ought to be earmarked for encouraging the indigenous industries in India by substantially reducing the rates for carrying goods manufactured in one part of India to another part of this country.

"The other item of revenue which, from a business point of view, gives a large return is irrigation. The productive works give the large return of 8 81 per cent. Now, Sir, the whole country wishes that as much money as can possibly be spared should be spent in the promotion of works of irrigation, and I think that the best policy would be that the profits made on irrigation works of a productive character should be utilised for the purpose of increasing protective works to give relief in districts which are habitually subject to famine conditions. I am very glad to observe, Sir, that that policy is really being pursued. The profits of productive works of irrigation ought to go, and as a matter of fact a large portion of them do go, to the construction of what are called 'protective irrigation works' for the purpose of relieving those areas where famine conditions prevail more frequently than in other parts of the country.

"Sir, it must be regarded as a gratifying feature of the Budget that, in spite of a substantial reduction in the opium revenue which has come down to a little over two crores of rupees, the Budget Estimates indicate a surplus of two crores. So that even if the whole of the opium revenue had been extinguished this year, there would have been an equilibrium between revenue and expenditure. It must have been, however, particularly gratifying to the Hon'ble the Finance Minister, that even in the face of this state of things member after member got up at the meeting of this Council only a few days ago, saying in effect that 'even if you do not want the money, take more money from the people in the shape of sugar duties, or in the shape of other import duties.' It was most amusing, Mr. President, that at a time when the Financial condition, according to the estimates placed before this Council, is in a very satisfactory condition, we non-official members should have been so anxious, so keen, to suggest that more money should be taken from the people. Of course if

BUDGET.

that prayer had been coupled with a demand to spend it in the advancement of irrigation, in the advancement of education, in the advancement of the 'multifarious objects of public utility,' then I would have understood it; but it was difficult to follow the anxiety exhibited as it was put purely on the ground of loss of opium revenue.

"Well Sir, I am very glad that the question of gold currency has been taken up by the Government of India in all earnestness. The question must be decided soon. The currency policy of the Government of India may have, at the time when it was adopted, led to a lot of adverse criticism, and opinions may still differ as regards the results to the people of India of raising artificially the value of the rupee But Sir, that policy has been put into force for better or for worse and it has worked for many years. It must now be carried to its logical conclusion, by gradually turning the gold standard into gold currency. I am very glad that steps are being seriously considered for the purpose of giving effect to the only logical outcome of the policy that Government laid down in the matter of our currency, and I hope that, before long, the question of gold coinage in India will be definitely decided upon, and that action will actually be taken.

"With these few remarks, I will conclude my observations."

The Hon'ble Mr. Vijiaraghavachariar.—"Sir, I wish most cordially to associate myself with the Hon'ble Members who have just given expression to their feelings of appreciation of the eminent services rendered to this country by the Hon'ble Sir Guy Fleetwood Wilson who, I am told, is on the eve of his retirement.

"Although I am new to this Council, I have not been altogether a careless reader of the proceeding of this Council. For sometime past I have looked through the proceedings relating to the Budget discussions with considerable care. Time was when it was considered that to make a successful Finance Minister it was necessary to be a clumsy speaker, to have a sort of stammering and to have a cold heart. This in spite of some rare exceptions was a sort of superstition, and I think the idol of this superstition was first broken by Mr. Gladstone. It was exactly 60 years ago that Mr. Gladstone brought his first Budget—I think in April 1853—when he subjected huge figures to his brilliant rhetoric, sweeping the whole horizon of the financial world, and stooping at the same time to pick up and scrutinize the minutest items, he kept the House spell-bound. Thenceforward it was an accepted belief that one could be an orator, a philosopher and a humanitarian and could bear warm feelings to the people, to the poor, to make life easier and cheaper and yet be equal to the greatest chartered accountant in examining figures. Something like that feeling came over me when I first read the speech of the Hon'ble Sir Guy Fleetwood Wilson some five years ago. Just as Mr. Gladstone introduced a new era in the financial history of England, we hope that Sir Guy has introduced a new era of financial administration in the Government of India; but I am unwilling to render my full thanks to him at once. On the principle of a sinking fund, I reserve a portion of the debt: I would not discharge it at once, firstly, because the debt is too great to be discharged by us in one lump, and nextly, because it is now inexpedient to render him a full account and to take a full acquittance from him. We are often told that political morality and private morality are not exactly identical. So, while it is improper to base gratitude in private affairs on a sense of favours to come, it seems to be otherwise in public affairs. I mean to follow this principle and to reserve a big portion of the debt for payment at some future time.

"Now, Sir, there is one important aspect in the Budget which alone would entitle him to our gratitude. He has distributed surpluses very much like a dying man in justice and in charity: but he has also administered—and, this I consider the more important—with the unselfishness of a dying patriarch, warnings too, which are of the utmost importance to us. The most important warning he administered is the warning to the railway service and to the railway administration. I wish to associate myself with all that has just been

BUDGET.

said by the Hon'ble Sir Charles Armstrong except with that portion which relates to the railway policy of Government. I am very sorry I cannot agree at all with what he said about railway administration. The Indian Government is not a company of exploiters; it cannot go on administering its funds entirely on business principles. I believe that one brilliant satrap once upon a time, I think in a post-prandial speech, said that the Government of India are exploiters too. It is a most dangerous statement to make, and it ought to be authoritatively repudiated from time to time. I think the future of the Indian railway is, for economic purposes, a system of District Board railways on a guage of 2 ft. or 2 ft. 6 inches, and for strategic purposes, a well equipped system of State-managed railways. The administration of railways must be no longer left with private companies, but must be gradually brought into the hands of Government. But be that as it may,—it would be somewhat irrelevant to develop that idea now—I would venture to call upon his successor on whom his mantle will fall, to accept this testamentary gift, *viz.*, the warning about railways, to accept it on trust for the millions. There is another and a cognate subject to the financial administration, and I would call attention to the Resolution so ably moved by the Hon'ble Sir Gangadhar Chitnavis, and to the sympathetic reply given by the Government. I thought it was a closed affair so far as this Council was concerned; but since then a question has been put by Sir John Rollaston in the House of Commons and that is my only excuse for making an allusion to that subject. The question is disquieting. I can't understand why ex-Indians should be excluded and all such who have had anything to do with the financial administration of this country for the long period of twenty years. No doubt the reply of Government was somewhat satisfactory, but it does seem to me that the question has the ring of an attempt at a conspiracy to pack the coming Commission. I believe we have reached an acute stage in the financial history of India, and I am entitled to beg and pray that the Government should be watchful, and it cannot be accused of being too vigilant on this occasion. Whatever may be the final view as to the currency question, one thing is certain—and Sir Charles Armstrong has emphasised that point—that we have reached a point where it is impossible for us to stay. The idea of the rupee being at once a token coin, with an enormous difference in the purchasing power between bullion and coin, and at the same time being legal tender to an unlimited extent and yet depending for its somewhat steady value upon a highly complex state of things such as Council Bills, telegraphic drafts, what is called balance of trade in favour of India, all which confuses an ordinary man, and a host of circumstances which it is impossible for an ordinary layman to analyse and grasp—all these must be examined not only from the standpoint of Lombard Street, but also, and more exclusively, from the standpoint of the people of India and the Indian Government. I deny that this can be done by experts and experts only from England, and we find that even England cannot boast of great financial experts unless there is some Jewish blood in their veins.

"I see that Lombard Street revives doctrines which in my school days I was taught were destroyed and buried by Adam Smith, never to be revived. The balance of trade in India means this, that India should ever be a greater international seller, and that of raw produce, than it is a buyer. The balance of trade always means that India should ever be creditor to the world, and yet we are told that no gold should come into India at the same time in payment of the dues to her by the world. I cannot understand the two things together, that we should ever be a creditor and yet we should not take gold in discharge of the debt due to us. All that I ask for is this: that at this time it is become absolutely necessary that Government should give full expression to the views of the people; that no opinions expressed by experts and no finality adopted by Lord Crewe on the faith of those opinions would be accepted by the people and Government of India unless and until the Government of India sends its own delegates—not witnesses merely—to sit on the Commission. No matter who those delegates are; it is premature to mention names. In these circumstances I cannot understand the full scope of the question put in Parliament. It seems to me exceedingly mischievous and has quite a sinister look about it.

BUDGET.

There are ex-Indian officers and ex-Indian officers, and it is for the Government of India to select its own delegates. Whether it is those who are in service, or those who have left service, officials or non-officials, Hindus, Muhammadans, or Englishmen, it is for the Government of India to decide. It is not for factions and experts in England to dictate to India. All that I do hope is that the Government of India at this crisis will not let go this opportunity, and will use its utmost influence to secure a representation of Indian interests on the Commission itself from the point of view of this country.

"I have only one or two more points to allude to, Sir, and they are these: We are often accused of offering only destructive criticism. I wish to confine myself to one or two suggestions in the nature of what I may call constructive criticism. The first is this. I would suggest a redistribution of the business of the Government of India. I believe this can be easily done. The redistribution, I consider, is necessary as well in the interests of the business of Government, as, I think, in the interests of the country itself. I believe it would afford relief at once to the Home Department, and would also be expedient in public interests. What I ask for and what I am aiming at is that there should be a separate full-time Minister for law and justice. You will remember that there were two new Departments created within a short time, the Department of Commerce and Industry, and above all, the Department for Education. It must be conceded that within the short period of the creation of the Education Department it has made very rapid progress, though not adequate, to the needs of the country, and the country is very grateful for this step taken by Government On the one hand this is so, and on the other hand, I believe the business of the Home Department is increasing and will certainly continue to increase greatly now that we have this Conspiracy law passed. I say it in all seriousness. It has to provide safeguards, to examine reports, etc. Therefore it has an immense amount of work to do and this work, the Hon'ble Home Member said, would not be judicially done; I do hope, however, that it will be judiciously done. He has to examine various reports submitted to him in each concrete case and upon these reports the question of sanction is to be determined in each particular case. I think he is entitled to relief. For the creation of a new Department for law and justice all that is necessary is the readjustment of the existing Departments, not by any alteration of the law nor by adding to the existing number of Members. This new department, I repeat, is absolutely necessary. I think that there would be a three-fold business for the Member who will be in charge of law and justice. The three-fold business will be, firstly the initiation or drafting of legislative measures of the Council, nextly, to deal with the supervision of the administration of justice, and lastly, to be able to deal with questions relating to money and applications for pardon and remission of sentences by prisoners, advising the Viceroy in the exercise of this noble, prerogative of the Crown. All this will take up the full time and more than the ordinary full time of the Law Member. I venture to state that this branch of the business entrusted to the Home Department has not been most satisfactory and has created considerable discontent.

"When I allude to discontent, I wish to allude to the discontent not only existing in public, but among the higher officers of the judicial service, as well both Indians and Englishmen. Rightly or wrongly a belief prevails—and I confess to a weakness that I share the belief—that those judges who are not quite loyal to the police view in the disposal of cases do not get promotions rapidly if at all. This is a belief shared by the members of the Indian Civil Service, and it is thus absolutely in public interests that such a belief should be removed. I know of some cases where persons who have been long judges are discontented. Curiously enough greater sympathy exists between these judges and the people of the country.

"I am very sorry to observe that there exists a belief that we can get full justice only from discontented Judges who no longer expect any promotion. It is not wise—it is not in the interests of Government—that such a belief should exist. One of the wittiest things I have ever been told was what a certain District Judge wrote in his diary. 'All is lost. Moral:—Marry a Councillor's daughter or a charming hostess.' Now this expedient of falling in love with

BUDGET.

[24TH MARCH, 1913.] [*Mr. Vijiaraghavachariar; Raja Kushal Pal Singh.*]

a Councillor's daughter or a charming hostess is not available to all District Judges. So we must provide some other means of relieving this kind of feeling certainly existing among civilian officers too. This is an important matter, and I think the time has arrived for the appointment of a new Minister who will devote himself exclusively to the portfolio of law and justice. And in this connection I may as well point to a feeling which exists universally in India, that is, that the Law Membership of the Governor General's Council—this might require an alteration in the law—should not be confined to Barristers. For many a long year to come the Indian Membership in this Council and in the Local Councils will have to be recruited from the Bar. Now I do hope that the field of selection will be extended to the High Court vakils. No greater justification is necessary in proof of my demand than the fact there has been a galaxy of distinguished Judges who have sat upon all the High Courts and adorned the Bench.

"The next and last point I wish to call attention to is this: We all know that from 1833 to 1853, there was the Law Member—and the first Member was Lord Macaulay—who had nothing whatever to do with portfolios. For twenty years this system prevailed. When he was Law Member—such is my recollection: I have not got the old Acts—Lord Macaulay had nothing whatever to do with a portfolio, with the transaction of the Executive business of Government, and it was only by courtesy that he had access to the papers of Government. It is highly desirable that we should go back to that state of things. This requires an alteration in the law, and it requires money. But the money is worth spending, and the additions and alterations in the law can be easily made and are worth having. I consider that this Council should be presided over by a first-class parliamentarian who should relieve the Viceroy from doing this work. I am one of those who believe that the Viceroy ought not to preside over all the meetings of the Council. He may open a Session of the Council and he may close it; but there should be a permanent Vice-President with experience of parliamentary life to preside over our deliberations, so as to make this Council really a model Council for all India, if not for all Asia. This is impossible under the existing state of things. I want a President who will be free from all bureaucratic influence, from the influence of red-tapism; and therefore it is that I want him to have nothing whatever to do with portfolios. It won't cost us much. Let us have him for five years; pay him highly, give him a residence here, and let him be in England for the summer months and come out every year for about five months in the cold weather with a fresh stock of English ideas. Tennyson says that old truth appears freshest in the garb of the day. Even though the ideas may not always be new and may be old, I believe they will be freshest in the latest English garb.

"I do hope that nobody suspects me of having any personal feeling against any Hon'ble Member. I shall be most glad to see Sir Guy Fleetwood Wilson occupy that position as the first Vice-President of the Council. And I have no objection to the Hon'ble the Home Member, divested of all his other functions, being made the Minister of law and justice. I do believe that if he did occupy it he won't say one day that it is impossible to consider principles and details apart from each other, and on another day that the principles and details of a measure are divorced from one another. I am sure of that, and therefore in making this suggestion I absolutely make no reference whatever to any Hon'ble Member. The suggestion I have ventured to make will, if adopted, pave the way for the realization of the universal Indian aspiration, a Royal Viceroy for the Indian Empire."

The Hon'ble Raja Kushal Pal Singh.—"Mr. President, it affords me very great pleasure to tender my cordial congratulations to the Hon'ble the Finance Minister on the highly satisfactory prosperity Budget which he has presented to us. Unfortunately we have to couple with this felicitation an expression of our extreme regret at his impending departure from us. But we shall not easily lose our grateful sense of his consistently fair and magnanimous treatment of Indian questions, which has not only evoked, but will also ever keep alive, in us feelings of the deepest gratitude.

BUDGET.

[*Raja Kushal Pal Singh.*] [24TH MARCH, 1913.]

He has displayed not only signal capacity, but also the utmost tact and sympathy, in handling these questions; and his relations with the non-official members of this Council have always been marked by unfailing cordiality. I can confidently assure him, Sir, that he will be bearing away with him the heartiest good wishes of the entire population of India.

"On behalf of the landed community which I have the honour to represent in this Council, I beg to submit our grateful and most respectful thanks to the Government of India for the assignments, which they have made to the Local Governments, enabling them to forego the sums that at present stand as appropriations for *Provincial* purposes out of the cess on land. Henceforth the proceeds of the land cess will be wholly available for financing *District* and *Rural* Boards.

"The allocation of surpluses by the Government of India has given immense satisfaction to the people of India.

"There is a general feeling in the United Provinces that these provinces should get a good half of the land-revenue receipts. I understand that our able, sympathetic and popular Lieutenant-Governor is studying the financial position and needs of these provinces.

"With a view to making some desirable retrenchments in military expenditure, I beg to propose that careers in the army be provided for scions of the landed aristocracy of British India. At present Indians are given no scope for displaying military talent. Sir Valentine Chirol remarks,—'Whilst, subject to the maintenance of effective executive control, we have extended and must continue steadily to extend the area of Civil employment for Indians in the service of the State, there would certainly seem to be room also for affording them increased opportunities of military employment. It is a strange anomaly that, at a time when we have no hesitation in introducing Indians into our Executive Councils those who serve the King Emperor in the Indian Army can only rise to quite subordinate rank. A good deal has no doubt been done to improve the quality of the native officer from the point of view of military education, but, under present conditions, the Indian Army does not offer a career that can attract Indians of good position, though it is just among the landed aristocracy and gentry of India that military traditions are combined with the strongest traditions of loyalty. By the creation of an Imperial Cadet Corps Lord Curzon took a step in the right direction which was warmly welcomed at the time, but has received very little encouragement since his departure from India. Something more than that seems to be wanted to-day. Some of the best military opinion in India favours, I believe, an experimental scheme for the gradual promotion of native officers, carefully selected and trained to field rank in a certain number of regiments which would ultimately be entirely officered by Indians."

"A large number of the sons of the landed gentry and of the territorial aristocracy should be allowed to join the Imperial Cadet Corps. The class of people who would value the trust thus reposed in them are not men whose interest in the Government is of a mercenary character. The sentiment of loyalty is innate in them. They are as a body the lineal descendants of the ancient rulers and the faithful nobility of this country, the records of whose deeds of prowess and steady devotion still inspire feelings of chivalrous loyalty.

"As a means of relieving the congestion of judicial business, I would strongly advocate the advantage of utilizing the services of landowners in the offices of Honorary Magistrates, Honorary Munsiffs, and Honorary Assistant Collectors. In India the landed classes represent the governing forces. They should therefore be largely associated with the regular administration in the aforenamed capacities. The large increase in the number of special Magistrates in the United Provinces has already shown that the experiment of investing the landed gentry and the territorial aristocracy with magisterial powers has amply justified itself; and the above indicated honorary appointments will continue to be highly prized, to the great relief of the stipendiary Courts.

BUDGET.

[24TH MARCH, 1913.] [*Raja Kushal Pal Singh.*]

"The scheme of demonstrating on the spot the value of improvements in the agricultural methods, by operations on some plot rented from an actual cultivator or land holder, has proved to be a great success in most of the provinces of India. Everything is done as a cultivator himself might do it; and the man who is placed in charge of the rented plot is himself a practical cultivator well trained for the particular demonstration in hand. These model plots also serve as centres of seed distributions. At present the number of demonstration centres is miserably small. With all the emphasis I can lay on it, I most earnestly implore the Government to provide money for a considerably larger number of these model plantations. If the requisite money were allotted, the Hon'ble Mr. Hailey would be able to do an immense deal for the improvement of agriculture by his prodigious industry and his matchless devotion to the well-being of our provinces.

"To stimulate the sugar industry, I consider it absolutely necessary that there should be a strong body of agricultural specialists devoted entirely to the promotion of this cause; and I would ask for at least three such officers to be allotted to the United Provinces, where practically half the total of Indian cane is raised. The Government scheme, it is true, provides for the setting-up of demonstration farms; but I would move for a considerable increase of their number. It also strikes me as a sound idea that, co-ordinated with the model farms, there might with infinite advantage be training classes opened for instruction in cultivation methods, and if possible also a small model factory attached to each farm for instruction in the technology of sugar manufacture. Such a system has very successfully been tried in the United States of America.

"May I crave permission to enter here a few remarks on Irrigation as the all-essential means of helping the development of the agricultural products of India? Cultivators undoubtedly evince a strong preference for canal irrigation; hence it is extremely desirable that the canal system be extended wherever possible. Canal-watered tracts not only are sure of their crops, but also they become exceptionally prosperous and productive. I humbly implore the Government to push on the work of the Sarda scheme, with all possible expedition. Out of the area watered by the Lower Ganges canal, fifty per cent. is left unirrigated through lack of water. If this shortage of water supply could be supplemented by the proposed Sarda scheme, the area that would then be irrigated would be more than doubled without any additional expense.

"Large and costly projects of irrigation require years to be fully carried out; whereas the system of well irrigation is far less costly, and yields immediate results. To be sure, the more serious obstacles in the way of well-sinking is want of capital; but if the rate of interest on takavi loans were reduced, as recommended by both the Finance and the Irrigation Commission, from $6\frac{1}{4}$ to 5 per cent. the attractiveness of such loans would be considerably enhanced.

"The following extract from the report of the Indian Irrigation Commission goes to show the desirability of reducing the rate of interest:—

'It would appear, from calculations made by Mr. Wilson and Colonel Grey, that the Punjab Government, with interest at $6\frac{1}{4}$ per cent., gains substantially by the present system. The Imperial Government which advances money for these loans to the Provincial Governments at 4 per cent., while itself able to borrow at little over $3\frac{1}{2}$, also presumably gains appreciably. We think that these loans ought not to be made a source of profit to the State, and that the interest on them should be reduced to a point sufficient merely to cover the risks taken. At present the amounts found to be irrecoverable are inappreciable; and the charge for risk might, therefore, be correspondingly small while the security remains as good as at present. We have made recommendations which may slightly increase the risk, but, even if they are accepted, we would suggest that the rate of interest may with advantage be reduced to 5 per cent. in all Provinces. We think that such a reduction will be likely to strike the popular imagination as an act of great liberality and may increase the attractiveness of takavi loans in far greater proportions than might be anticipated from the small diminution which would result in the actual payments by each individual cultivator.'

"I would add to what is there said that expenses are practically *nil*. Enquiries are made by Local Revenue Officers who also keep accounts and collect instalments.

"I respectfully request that the Government of India will generously make good to Local Governments any loss that may arise from a reduction of the rate of interest on takavi advances.

BUDGET.

[*Raja Kushal Pal Singh; Srijut Ghanasyam Barua.*] [24TH MARCH, 1913.]

"I would respectfully venture to propose the establishment, in every province, of schools, or even classes, for the agricultural training of zemindars' karindas or agents. A karinda fills an important place in rural polity; and there is a very large number of such functionaries in the United Provinces. It is generally felt that there is much room for improvement in the training given to these men. They need to be thoroughly well taught in general agriculture, in soil classification, and in the keeping of patwari's records.

"It is strongly recommended that the Government of India should provide money for the creation of reserves of wood, fuel, etc., for agricultural purposes. Even in well-wooded localities, many villages are becoming denuded of trees, the work of felling being freely carried on, while no attempt is made to plant new trees. The people seem to be losing that strong religious feeling they once had about the planting and preservation of trees. Would it be out of place for me to suggest that, at one or more suitable places in each district, the Government and the estates managed by the Court of Wards might with advantage establish 'fuel and fodder reserves'? These would serve as models for landholders to follow, for the example thus set them by the Government would surely prove a stimulus. Cow dung is the most valuable manure within the reach of cultivators, yet the practice is to burn dung-cakes as fuel in default of wood. If wood could be had for fuel, in lieu of dung, we should soon come to realise that more wood means more manure, and that more manure spells more and better crops.

"The following tabular statement shows that, in respect of Education, the United Provinces hold the lowest grade in comparison with the other major provinces of India.

	Madras.	Bombay.	Bengal.	Eastern Bengal.	United Provinces.
Number of Primary Schools for males in 1911-12 .	24,044	11,609	36,342	17,723	9,258
Number of male scholars in Primary Schools in 1911-12.	829,331	630,427	1,047,769	672,835	470,953
Number of Primary Schools for females in 1911-12.	1,162	1,154	3,124	4,957	957
Total Scholars (both male and female) in all institutions in 1911-12.	1,280,065	922,877	1,609,360	1,075,124	712,000

"There is little doubt that, had money been as freely devoted to the extension of education in the United Provinces, as it has been elsewhere, there would have been a large increase in the enrolment of scholars. My earnest appeal therefore to the Government of India is that they would pay special attention to the backwardness of these provinces in this vital matter of education."

The Hon'ble Srijut Ghanasyam Barua:—"Sir, on this important day of the Session I also wish to speak a few words. Being little of a financier or an orator I hope to be very brief and not take much of your time.

"I think the first thing that the Government would expect me to speak about would be what the people of the poor Province which I have the honour and privilege of representing here think of their new situation, how we are feeling under the new regime. And I am glad to say that I have numerous requests from various quarters to speak out that we greatly appreciate the change. There were indeed some misgivings in the beginning, when the Coronation boons were first published, that the reconstitution of Assam into a Chief Commissionership might mean a retrograde step, a reversion to the old 'one man rule' when the voice of the people was oftener than not a cry in the wilderness. But when it became patent that the intention of the Government was quite different, that it was not only granting us a local

BUDGET.

[24TH MARCH, 1913.] [*Srijut Ghanasyam Barua.*]

Council, but was going to give us extra helpand attention to make up for its past neglect, the feeling settled down into one of uniform and unalloyed satisfaction.

"Assam is indeed still very b ackward and poor ; but I venture to think that the backwardness is greatly due to the indifferent treatment she has received from the Government all along. Assam has vast resources to develop, enough of intelligence to stimulate and a past civilization to draw upon, her political significance in relation to the whole Indian Empire is also by no means mean. She has already its great Tea Industry—an industry to which the Government and the people alike owe a great deal for its valuable contribution to the development of the Province—she has her vast forests capable of immense development, her vast fields of culturable wastes, her coal and kerosine, lime and oranges, her cotton, silk, timber, agar, cane, rubber, lac and other forest produces and mines and minerals yet unexplored. If Assam has been backward, therefore, it is not because she has not her own potentialities, but because she has been grievously neglected in the past. One would wonder that a country can remain so backward after such a long period of British rule.

"We therefore offer our dutiful homage of gratitude to His Gracious Majesty and unbounded thanks to the Government of India for just the right step that has been taken to give her a push forward by forming her into a separate Province to enable the Government to give her a separate treatment and extra help she so eminently deserves.

"I shall not be doing justice if I omit to mention a small section belonging principally to Sylhet who are still prepared to raise a cry for going over to Bengal. But I am glad to say that from all inquiries I have been able to make, and from the words of a responsible leader of Sylhet to whose words I have reason to give very great weight, the agitation has its origin in a few high class gentlemen who have some profession or business in Calcutta and are anxious to rub shoulders with the great men of Bengal. I have been assured by the gentleman above referred to, that those agitators, with all the influence they command, will not be able to enlist the co-operation of even 1 per cent. of the whole population. And I hope they will soon begin to see that by being clogged to the most advanced presidency of India, whose needs and aspirations are more than she can meet for herself, we cannot get the extra aid we want and that the present one is the only best arrangement for us.

"We only hope and pray that Assam will now begin to be considered by the Government on her own account, and no longer treated as (in the apt words of the *Statesman and Friend of India*) a 'pawn in the political game.'

"On behalf of my Province I respectfully offer my most sincere thanks to the Government of India for the special grant of 20 lakhs that it has made this year and the smaller special grant of last year, and also for giving us a good and sympathetic ruler like Sir Archdale Earle whose vigorous and energetic efforts for the advancement of the Province in all directions has already evoked admiration and affection of its people. But I venture to think that the Hon'ble the Finance Minister was not at all in need of making an apology by saying that the grant has been made in the way of an investment by a senior partner. For, I may say for the information of my Hon'ble non-official colleagues, if my calculation is correct the senior partner has been already drawing profits and even after the special grant of 20 lakhs and its ordinary Provincial grant, the Government of India will still retain some 19 lakhs to itself out of the contribution made by the poor Province.

"In view of the undeveloped condition of Assam whose population is now only about 120 to the square mile, one would feel justified in thinking that the Province should get extra grants in addition to her own resources. I greatly hope that the Government of India will be pleased to seriously consider at the time of the proposed permanent settlement whether the Province should not be allowed at least to have the full benefit of its own resources. I again thank the Government of India for all it is

BUDGET.

[*Srijut Ghanasyam Barua.*] [24TH MARCH, 1913.]

doing and all that it means to do for my poor Province, and I repeat my prayer that it will continue always to give us good rulers like Sir Archdale and for a long time yet to help us with suitable special grants.

"I also thank the Government for the enthusiastic interest it is taking in Education in response to the desire of our beloved King Emperor. Education is a subject than which nothing seems to be more important for over true regeneration and deliverance, and in it I always feel the greatest interest. It is admittedly still defective; and as we are studiously excluding God from interference in the sacred field of Education—the field for elevating the mind and building up character—I am afraid the defects will yet continue notwithstanding all that is possible to be done; but nevertheless we are all anxious to have all that we can. I entertain a pious hope that my countrymen will soon begin to see that none of us are so godless and that the God of the Hindu, the Mahommedan and the Christian is not so essentially different that, leaving aside sectarian rites and forms to be observed at home, we cannot find some common ground to stand upon for invoking the aid of the eternal Source of all good for the elevation of the mind and character of our plastic youths in schools and colleges. Of this, however, this is not the proper time to speak. What I want to say in this connection is that along with education we must remember the main feature of His Majesty's wish and command, *viz.*, that education and all that come in its train are but means to an end—and that is 'the union and fusion' of the culture and aspiration of His Majesty's European and Indian subjects. A higher ideal for the perfection and consummate development of the Great Empire of strength and beneficence that it has pleased God to build up by the union of England and India cannot indeed be conceived. For the realization of this great object there is ample field for all of us to do outside the limits of education proper; and with that end in view, it behoves all His Majesty's loyal subjects, Indian and European, to work with common heart and will. We, Indians, have to see that while conserving what is needed of our old civilization, we should come forward with an open heart to imbibe and assimilate all that is good and high of what has come from the West and has been laid at our door by the hand of God; that a patriotism which aims at reverting to the old—a tendency to which seems to have been developing since some time—will not help us in getting what we want. To claim all the benefits and privileges of Western civilization without willingly giving up all that brought woe unto us is a paradox which to many minds will not be intelligible.

"The Europeans should also see that they can aid this great cause by shaking off their conservatism and all that stand in the way of their embracing the Indians as brothers—in need of further tuition no doubt—and not as bastards or half-brothers. And the Government can greatly help this cause by strictly enjoining all European officers down to the chota sahibs of sub-divisions and the teachers and professors in schools and colleges always to work with one spirit—to infuse all that they can of their higher ideals into the Indian mind, to treat the Indians with sympathy and love and not despise them for their shortcomings, to draw the Indians closer to them and to be themselves drawn closer to the Indians, to act as the mediators between the European and the Indian and to bring both into closer contact and better mutual understanding and appreciation. I hope the Government of India will find a way to bring about such a happy state of things through the numerous officers who come in daily contact with the great mass of the Indian population. How much happier would India at once be if the spirit now ruling the various Secretariats were carried by the officers who have to deal directly with the people!

"In conclusion, I most sincerely echo all the praise and congratulation that have been justly offered to our able and popular Finance Minister. The admirably lucid and attractive manner in which he has drawn up the financial statement, the way he has managed the financial affairs of India, and the very judicious distribution he has made of the surplus, are all matters that can evoke only one feeling and that has been given vent to by all my Hon'ble friends who have spoken before me. If we have to bid him good-bye as we have been told, we shall certainly part with him with sorrow, but in bidding him good-bye we would assure him that he carries our love with him; but in view of the strong non-official opinion which has unequivocally found

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

FINANCIAL STATEMENT AND BUDGET

FOR

1914-1915.

CONTENTS.

	PAGE	PARA.
Speech of the Honourable Finance Member presenting the Financial Statement for 1914-1915	**1**	**1—93**
Introductory	1	1—5
Revised Estimate for 1913-14	2	6—19
Budget Estimate for 1914-15	7	20—32
A.—Military Services	12	33—35
B.—Opium	13	36—38
C.—Famine Relief	14	39—42
D.—Expenditure from special grants (Education, Sanitation, etc.)	16	43—48
E—Financial position of Provinces	18	49
Capital Expenditure—General Review	18	50—64
A.—Railways	23	65—68
B.—Irrigation	25	69—73
C.—Delhi Expenditure	26	74—77
Cash Balances and Secretary of State's Council Drawings	27	78—79
Exchange, Currency and Coinage	28	80—84
Banking	29	85—89
Changes in Financial organization	31	90—91
Conclusion	32	92—93
Financial Statement, 1914-15—		
I.—General Statement of the Revenue and Expenditure charged to Revenue of the Government of India, in India and in England	34	...
II.—General Statement of the Receipts and Disbursements of the Government of India, in India and in England	36	...
A.—Statement of the Revenue of India, in India and in England	38	...
B.—Statement of the Expenditure charged to the Revenues of India, in India and in England	40	...
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England	44	...
D.—Account of Provincial Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial settlements	48	...
E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England	49	..

		PAGE.	PARA.
Proceedings of the meeting of the Imperial Legislative Council held on 7th March 1914	.	**51**	...
Proceedings of the meeting of the Imperial Legislative Council held on 9th March 1914	.	**75**	...
Speech of the Honourable Finance Member introducing the Budget for 1914-1915	. .	**135**	**1—5**
Budget, 1914-15—			
I.—General Statement of the Revenue and Expenditure charged to Revenue of the Government of India, in India and in England	. . . .	138	...
II.—General Statement of the Receipts and Disbursements of the Government of India, in India and in England	. . . . .	140	...
A.—Statement of the Revenue of India, in India and in England	. . . . .	142	...
B.—Statement of the Expenditure charged to the Revenues of India, in India and in England	.	144	...
C. Statement of Receipts and Disbursements of the Government of India, in India and in England	.	145	...
D.—Account of Provincial Savings charged to Revenue and held at the disposal of Provincial Governments under their Provincial settlements	. . .	152	...
E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England	. . . . .	153	...
Memorandum explaining the details of the Estimates—	. . . . .	**155**	**1**
I and 3.—Land Revenue	. . . .	157	8
II „ 4.—Opium	. . . . .	164	25
III „ 5.—Salt	. . . . .	166	27
IV „ 6. Stamps	. . . . .	167	31
V „ 7.—Excise	. . . . .	169	37
VI „ 8.—Provincial Rates	. . . . .	171	42
VII „ 9.—Customs	. . . . .	172	44
VIII „ 10.—Assessed Taxes	. . . . .	174	47
IX „ 11. Forest	. . . . .	176	52
X „ 12.—Registration	. . . . .	178	58
XI.—Tributes	. . . . .	180	61
1.—Refunds and Drawbacks	. . .	181	62
2.—Assignments and Compensations	. .	182	64
XII.—Interest Receipts	. . . . .	183	66
13 and 14.—Interest Expenditure	. . . .	185	69
XIII „ 15.—Post Office	. . . . .	187	73
XIV „ 16.—Telegraph	. . . . .	188	76
XV „ 17.—Mint	. . . . .	190	81
18.—General Administration	. . . .	191	84
XVIA „ 19A.—Law and Justice—Courts of Law	. .	193	89
XVIB „ 19B.—Law and Justice—Jails	. . . .	195	94
XVII „ 20.—Police	. . . . .	197	99
XVIII „ 21.—Ports and Pilotage	. . . . .	199	103
XIX „ 22.—Education	. . . . .	200	105
23.—Ecclesiastical	. . . . .	204	114
XX „ 24.—Medical	. . . . .	205	115
25.—Political	. . . . .	208	122
XXI „ 26.—Scientific and other Minor Departments	.	209	125
27.—Territorial and Political Pensions	. .	212	132
28.—Civil Furlough and Absentee Allowances	.	213	133

Memorandum explaining the details of the Estimates—*continued.*

		Page.	Para.
XXII and 29.	—Superannuations	214	134
XXIII „ 30.	—Stationery and Printing	216	137
XXIV „ 31.	—Exchange	218	140
XXV „ 32.	—Miscellaneous	219	142
33 to 36.	—Famine Relief and Insurance	222	152
XXVI to XXVIII and 38 to 41	Railway Revenue Account	224	158
XXIX—XXX and 42 to 43	Irrigation	227	169
	Major Works	228	171
	Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	230	177
	Minor Works and Navigation	231	178
44.	—Construction of Railways charged to Provincial Revenues	233	184
XXXI and 45	—Civil Works	234	185
XXXII „ 46.	—Army	240	198
XXXIII „ 46A.	—Marine	244	209
XXXIV „ 47.	—Military Works	245	213
47A.	—Special Defences	246	221
	Military Services—Summary	247	222
Capital Expenditure on Railways, Irrigation and other Works not charged to Revenue—			
	Railway Construction	248	223
	Construction of Productive Irrigation Works	251	227
	Initial Outlay on the New Capital at Delhi	252	229
Ways and Means—			
	Home Treasury	253	232
	India	259	248
Appendix		263	...
Proceedings of the meeting of the Imperial Legislative Council held on 24th March 1914		283	..

Speech of the Honourable Finance Member

INTRODUCING THE

FINANCIAL STATEMENT FOR 1914-15.

Introductory.

I rise to present to the Council the Financial Statement for 1914-15. Our procedure will be the same as on previous occasions: that is, there will be no debate to-day, but from the 7th March onwards time will be allotted for the examination and discussion of the budget proposals. The figures in the Financial Statement will then undergo such amendments as may be required by our later information or suggested by the discussions in Council. The Budget in its final form will be presented on the 21st March, the usual closing debate taking place on the 24th.

2. In presenting my first Budget to the Imperial Legislative Council, I cannot but feel the need for indulgence and consideration. In the most favourable circumstances it would have been no easy task to take over the reins of financial administration from such a competent and popular predecessor as the Right Honourable Sir Guy Fleetwood Wilson whose recent elevation to His Majesty's Privy Council was received with such general satisfaction. His intimate knowledge of English and Indian finance was reinforced by a practical sagacity and a genuine love of India and her peoples which won confidence and esteem in this Council and in the country generally. It is my most earnest wish to maintain the good relations between the Finance Department and the Legislative Council which my predecessor bequeathed to me.

3. I hope that in judging my administration it will not be reckoned to my personal demerits, or put down to sins committed in a previous existence, that I have failed to maintain the persistent grasp of good fortune which marked most of Sir Guy's career in India. His last complete year of office closed with an aggregate Imperial and Provincial surplus of over £7½ million; and acting on the principle, to quote his own words which I myself fully accept, that "the only reasonable rule of conduct is to assume that a period of prosperity, once it is established, will continue until we have some clear warning of impending change," he was able, after making very generous contributions towards local administration and social advance, to budget in the current year for an Imperial surplus of about £1⅓ million. Since then, however, conditions and prospects have materially altered through the failure of the rains in September, and the disturbance of commercial conditions owing to the banking crisis which began last autumn. I shall have to deal with these events in some detail presently, and will only say in these preliminary remarks that they are inevitably reflected in the results of the present year and in our estimates for the next. There is no reason for taking a gloomy view, but we have necessarily had to estimate, in these changed conditions, on more cautious lines; and in my present budget dispositions, the Council will, I fear, miss some of those attractive features which have grown customary in recent years.

4. Our financial position rests ultimately on agricultural and trade conditions and I will briefly survey the history of the expiring year from these two standpoints. The winter rainfall of 1913 was somewhat defective, but otherwise the agricultural year opened promisingly enough. Unusual rainfall, however, occurred during the hot weather period, and the prediction of our meteorological advisers that the wet May did not presage an unfavourable monsoon was unfortunately not wholly fulfilled. The monsoon started early and propitiously, but after the middle of July the distribution was irregular, and at the beginning of September the current weakened materially, and ceased to give any rain of importance, in the United Provinces, and North-west and Central India. Meanwhile, excessive rain, resulting in serious floods, occurred in parts of Bengal, Bihar and Orissa and later in Madras. Winter conditions set in earlier than usual in Northern India, but again failed to give the rainfall which was so urgently needed in the United Provinces, Central India and Rajputana, and famine conditions have thus been established in parts of the localities just

mentioned. I shall give fuller particulars on this matter later. These abnormal conditions have of course been reflected in the harvests. The outturn of wheat and of spring oil-seeds was somewhat in defect, and the Northern India rice crops also suffered, either from drought or from floods. More than half the area under sugar-cane in India is in the United Provinces, and the conditions there have seriously affected the outturn. The heavy rain of July and August also resulted in a large decrease in the jute outturn in Bengal. For cotton, on the whole, the season has been more favourable. As regards the crops at present on the ground, the sowing season for wheat was unsatisfactory in the United Provinces and the eastern Punjab, and the unirrigated crop in these tracts has suffered considerably. The oil-seed crop is also considerably below normal in the same areas. Some showers of rain in February improved prospects in the greater part of the Punjab, but have had little effect on the tracts where distress is most acute.

5. I turn now to our trade figures. In the first nine months of the year there has been an increase of over ₹9 crores in the exports of raw cotton, and of ₹8 crores in the value of jute exports, raw and manufactured. The improvement here, however, was mainly one of price; and in the case of raw jute there was an actual decline in quantity. Shipments of tea also show a satisfactory increase of nearly ₹1½ crores. On the other hand, there was a falling off under rice, wheat and barley, amounting altogether to some ₹10½ crores; and if allowance be also made for the loss of ₹7 crores of opium exports arising from the discontinuance of the trade with China, the total result — a gross export valued at ₹1,78 crores — is practically identical with the corresponding figure for 1912-13. On the import side, the progress experienced in the previous year has continued, and there has been a further advance of over ₹19 crores in the nine months' term. The increase is distributed over a large number of items, the most important being cotton piece-goods (₹5 crores), railway plant and rolling stock (₹2·6 crores), machinery (₹2 crores), and metals, especially copper. In the case of piece-goods the imports have outrun all immediate requirements, and the markets on both sides of India are suffering from a congestion of stocks. But a study of the growth of imports under other heads of varying importance and of the most miscellaneous description implies an undeniable growth of purchasing power and an improving standard of comfort.

If account be also taken of treasure, the net exports show a decline of ₹9 crores. We need not, I think, anticipate that this temporary deterioration will prove to be of more than passing significance. The loss of the opium trade, it is true, has permanently removed a large item from the credit side of India's international account, but we may look to this being made good by expansion in other directions. The slight present check in the expansion of other exports is, moreover, a not surprising sequel to the extraordinarily rapid advance made in the two preceding years. There is a close parallelism in this respect between the course of the seaborne trade and the returns of railway revenue where, after remarkable progress in the recent past, the upward movement of receipts has for the moment been temporarily retarded Finally, though there has undoubtedly been grave disturbance and loss from the banking crisis, it can hardly be said to have produced a substantial effect on the broader currents of trade; and on the whole the year must be regarded as one of fairly prosperous trade conditions.

Revised Estimate for 1913-14.

6. These, then, were the main factors determining the estimates which I am about to present; that is to say, our Revised estimate of revenue and expenditure in the current year and our Budget estimate for the financial year 1914-15. But before proceeding to the actual figures, I should like to interpolate a few words of explanation. I wish to emphasise that in these annual Financial Statements we are really bringing before the Council two sets of estimates which, from some points of view, may be regarded as distinct. Honourable Members are all familiar with the material difference between the special activities of the Government of India and those of the Local Governments. The Central Government is exclusively responsible for services such as defence, the working of our railways, the administration of posts and telegraphs, and certain minor departments. It also bears the entire burden of the charges which are finally accounted for in England. The Local Governments, on the other hand, administer and maintain the various branches of ordinary civil

administration throughout the country. The above is, of course, a very general statement of the case, and must be qualified, for instance, by the fact that since the circumstances of the minor Administrations, such as Baluchistan and the North-West Frontier Province, do not permit of financial arrangements in respect of them such as have been effected by the present Provincial settlements in the major provinces, their total receipts and expenditure (the latter considerably exceeding the former) are classed as Imperial.

It would make for perspicuity of finance if conditions admitted of a complete parallelism in the allocation of revenue, but this, as Honourable Members are aware, is not the case. We have our own wholly Imperial heads such as opium, salt and customs, while the Local Governments have as wholly Provincial heads the revenues from forests and registration, and in some provinces excise; but the receipts under the remaining important heads of revenue are divided in certain proportions, fixed by the terms of the Provincial settlements, between those Governments and the Government of India.

From some points of view this distinction between Provincial and Imperial finance is artificial and must not be unduly pressed. It is obviously desirable, for instance, to review the growth of the main heads of taxation and other revenue, and of large heads of expenditure, as a whole. To consider first the Imperial and then the Provincial share would obscure any adequate picture of Indian finance. For certain purposes, however, the distinction is very significant. An Imperial deficit, for example, may render it necessary to increase taxation. But in present circumstances, a Provincial deficit merely implies that the Local Governments are drawing upon balances which have been abnormally swollen by special grants made by the Government of India for expenditure, as circumstances render it expedient, on special objects, such as education and sanitation. I am anxious to give Honourable Members the clearest presentment of what is actually happening in such matters, and I propose therefore, besides making such explanations as are called for under specific heads of revenue and expenditure, to elucidate the general financial position arrived at under the Imperial and Provincial sections of the Revised estimate and the Budget.

7. The broad results which emerge from a comparison between the Revised estimate and the current year's Budget are brought out in the following table:—

[In millions of £]

	Budget, 1913-14.			Revised, 1913-14.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
Revenue . . .	53·044	29·280	**82·324**	53·619	30·643	**84·262**
Expenditure . . .	51·718	32·193	**83·911**	52·291	31·384	**83·675**
Surplus (+) or Deficit (—)	+1·326	—2·913	—1·587	+1·328	— ·741	+·587

It will be observed that, comparing the total Budget figures of current revenue and expenditure, the latter exceeded the former by nearly £1,600,000. But there was a surplus of £1,326,000 under Imperial, while the deficit of £2,913,000 under Provincial was to be drawn from the large balances at the disposal of the Local Governments. The actual aggregate revenue, however, is now expected to exceed the aggregate expenditure by £587,000, the Imperial surplus (£1,328,000) being almost identical with the budget expectation, while the Provincial deficit has been greatly reduced, partly by an improvement in provincial revenues and partly by underspending.

Revenue.

8. The aggregate revenue of the year—Imperial and Provincial—was estimated in the budget at £82⅓ million: we now expect to obtain a little over £84¼ million. In analysing this result I shall ignore the minor increments of normal growth, full

information being available in the Financial Secretary's Memorandum, and deal only with the heads which show material variation. In the statement which follows I have placed these in a different order from that which our accounts usually exhibit, so as to bring together (*a*) heads which are entirely or mainly Imperial, (*b*) those which are divided, and (*c*) those which are almost entirely Provincial.

[In millions of £]

	Budget, 1913-14.			Revised, 1913-14.		
Revenue.	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
1. Opium	1·445	...	**1·445**	1·606	...	**1·606**
2. Customs	6·863	...	**6·863**	7·355	...	**7·355**
3. Mint	·241	...	**·241**	·405	...	**·405**
4. Railways—Gross receipts less working expenses; and other items	17·622	·001	**17·623**	17·518	·001	**17·519**
5. Land Revenue	8·360	13·013	**21·373**	7·704	13·393	**21·097**
6. Irrigation	2·035	2·369	**4·404**	2·087	2·466	**4·553**
7. Assessed Taxes	·971	·787	**1·758**	1·050	·864	**1·914**
8. Heads classed as Miscellaneous	·335	·254	**·589**	·430	·286	**·716**
9. Excise	2·407	6·046	**8·453**	2·515	6·392	**8·907**
10. Forest	·068	1·962	**2·030**	·076	2·131	**2·207**
11. Provincial Rates	·001	·028	**·029**	...	·179	**·179**

9. *Imperial Heads.*—I propose to deal with Opium in a separate section and need not, therefore, at this stage, do more than mention the improvement of £161,000 under this head.

The large improvement of £492,000 under Customs reflects the prosperous conditions which have prevailed over the greater part of the country. Owing to the banking and commercial crisis, there was a temporary check in silver imports, but stocks were low and have had to be replenished. It is now expected therefore that the cautious figure taken in the budget under this sub-head will be more than realized. Sooner or later, a falling off must be expected under piecegoods, but the set-back continues to be deferred, and meanwhile a large improvement on the budget figure has been secured. Under other tariff heads generally there has been a satisfactory development, the chief contributors being metals other than gold and silver, manufactured articles and sugar.

The same conditions of busy trade also led to a considerable fresh coinage of rupees, resulting in a credit of £136,000 in respect of mint seigniorage. Our budgets make no provision for this item of receipt, partly because it cannot be adequately forecasted, and also because it would evidently be inexpedient to disclose our anticipations in regard to possible purchases of silver during a coming year. The impending famine relief operations, again, foreshadow an increased demand for small coin, and the total improvement under "Mint" is thus raised to £164,000.

10. Now that the uncertainties of the opium revenue have been reduced in scale by the extinction of the China trade, the prospects of the railway revenue tend to become the dominating feature of our budgets. In the present year, if conditions had remained completely prosperous, we might well have expected a material increase in the gross railway receipts for which the budget took credit. There has, however, been a not unnatural check in the development of this revenue, following upon the

very large increments attained in the two preceding years and the set-back in economic prosperity during the closing months of 1913; and such improvement on our original expectations as has occurred towards the end of the year has been more than absorbed by the necessity for giving additional grants for working expenses. The provision for special renewals was somewhat restricted in the budget, and the railways have since had to cope with further special repair demands owing to damage from floods in parts of the country. The net receipts are thus expected to be £104,000 less than the credit taken in the budget.

11. *Divided Heads.*—The Land Revenue collections show a fall of £276,000, the failure fully to realise budget expectations under this head being due to suspensions in the United Provinces, necessitated by the partial failure of the *kharif* crop. If, however, we look at the Imperial share alone, there is a falling off of £656,000. To the extent of £337,000 this is due to the fact that we not only have to bear our normal share of the falling off of receipts in the United Provinces, but have guaranteed the Local Government a minimum income under the Land Revenue head, and this guarantee has come into practical operation in the current year. The loss here would have been greater had it not been to some extent counterbalanced by improved receipts in other provinces.

The remaining decrease under Imperial (£319,000) is due to certain additional assignments to Provincial Governments, which we are now making by adjustment under this head of revenue. In the first place, we had previously undertaken to defray the initial cost of a central European lunatic asylum which is about to be constructed at Ranchi, and matters have now reached a stage at which we can set aside £67,000 towards this object. Secondly, we propose to make a further grant of £44,000 to the Madras Government in aid of the buildings expenditure under a scheme for the redistribution of districts and sub-divisions which is generally known by my name, as it was based on proposals I submitted to the Madras Government some years ago. The Government of India have financed the recurring expenditure due to that scheme through the Provincial settlement, and have already contributed £123,000 towards the initial outlay on buildings which is now estimated at about £280,000. We have now, on the representation of the Madras Government, granted the further sum above mentioned which brings our total contribution for the building item to £167,000 (R25 lakhs) in all. Finally, we have had to meet certain unexpected charges, the most important of which are additional grants to Assam and Burma in connection with road-making and other operations on the North-East Frontier.

The aggregate Provincial share of the land revenue is £380,000 in excess of the budget. This is due to some increase in revenue in the provinces which have enjoyed favourable seasonal conditions, as well as to the assignments already mentioned.

12. There is a betterment of £149,000 under Irrigation, of which £52,000 goes to Imperial. This is due to an enhanced demand for canal water in the United Provinces consequent on the defective rainfall, and to the revision of rates in certain parts of the Punjab. Under Assessed Taxes (Income-tax) there is also an improvement of £156,000, chiefly due to the large profits realised by banks and industrial concerns in Calcutta and Bombay in the preceding year, and of this Imperial gets half. We have also obtained a substantial increase (£127,000) from Miscellaneous receipts of which Imperial secures £95,000.

The total improvement under Excise revenue is £454,000, and is due to growth of revenue owing to prosperous conditions in most tracts, and specially in Madras and Bengal. Excise, though still a divided head in most provinces, has been wholly provincialised in Assam, Bengal and Bombay, and the result is that of the total improvement above mentioned the Imperial share is only £108,000.

13. *Provincial Heads.*—The Local Governments obtain almost the whole benefit of the improvement under Forest (£177,000) resulting from high prices in the timber market, as well as a nominal credit of £150,000 under Provincial Rates. This latter item, appertains to the United Provinces, where it was found impracticable to carry through in time the legislation required to give effect to the discontinuance of appropriations from the cesses on land for which the current year's budget provided. For the present year, therefore, these appropriations have been continued, the money so taken from the district boards being returned to them in the form of corresponding contributions which figure on the expenditure side. The intentions of the Government in this matter have thus been given effect to, though as yet by a slightly varied procedure.

14. *General.*—Taking our revenues as a whole, we have no reason to be dissatisfied with the result. The abnormal receipts obtained in the last few years from the sale of opium to China have now, of course, disappeared. Excluding opium altogether, the aggregate revenues of India in 1912-13 amounted to £81,738,000. Our revenues in the current year, again excluding opium, have yielded a substantially larger amount (£82,656,000) in spite of the loss of £374,000 by the surrender to district boards of the public works cess in Bengal and in Bihar and Orissa, and of a deficient rainfall and a commercial crisis, which have brought about a diminution of land revenue payments, and must in some degree, if only for a time, retard the growth of some of our other leading heads of revenue. The fact that, in spite of these drawbacks, the Imperial surplus anticipated in the budget has nevertheless been obtained furnishes material evidence of the inherent soundness of our present financial position.

Expenditure.

15. The total expenditure, Imperial and Provincial, provided for in the Budget was £83,911,000. In the Revised estimate it is reduced to £83,675,000. This result has been obtained by an increase of £573,000 under Imperial charges, accompanied by a decrease of £809,000 under Provincial. I again append a statement of the heads which account for the chief variations :—

[In millions of £]

	Budget, 1913-14.			Revised, 1913-14.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
Expenditure.						
1. Military Services .	21·008	...	**1·008**	21·399	...	**21·399**
2. Miscellaneous . .	·191	·254	**·445**	·346	·263	**·609**
3. Education . .	·144	3·934	**4·078**	·119	3·123	**3·242**
4. Medical . . .	·163	1·858	**2·021**	·142	1·236	**1·378**
5. Civil Works . .	1·076	5·506	**6·582**	1·092	5·954	**7·046**

16. The enhancement under Imperial is due almost entirely to the increase of £391,000 under Military Services, and of £155,000 in the Imperial share of the Miscellaneous charges. I shall deal fully with the Military outlay in a separate section of the Statement. The higher Miscellaneous expenditure arises from a payment which we find ourselves under an obligation to make in respect of the surplus revenues of the Bangalore Assigned Tract, that is, the Civil and Military Station there. This is an area within the Mysore State in which jurisdiction has been ceded to the Indian Government; the latter collect the revenues of the tract, and debit it with all charges of administration, any surplus revenue being ultimately repaid to the Mysore Durbar. It has been a question for some time past whether the indirect charges debited to this special account at one time or another were not unduly high, and the Government of India accordingly undertook a complete overhauling of the account from 1881 onwards with a view to setting this question at rest. The careful examination which has been made satisfies them that the true surplus to which Mysore has a legitimate claim has been underestimated in past years, and they have decided to pay the Durbar forthwith a sum of £200,000. The question of the balance which will remain to be paid before these arrears can be regarded as fully discharged is still under consideration. In any case, however, the amount will be small in comparison with the present payment. Apart from these two principal changes and a few ordinary fluctuations, there is nothing of importance to note in connection with Imperial expenditure, beyond the diversion to famine relief of practically the entire grant which in an ordinary year would have been charged off against Imperial as allotted to the reduction or avoidance of debt. This will be noticed again in another section, in which I shall explain the leading facts regarding our anticipated famine relief expenditure.

17. The underspending of the Provincial Governments falls mainly under Education and Medical, which also, together with the closely connected head of Public Works, may conveniently be reserved for separate consideration. There was likewise a considerable saving under Police, owing to the lapse of the provision for the provincialization of village police in Oudh. On the other hand, as a partial, though very incomplete, set-off to this general short expenditure, there was a rise in jail charges, distributed over all provinces; a noticeable increase under pensions, advantage being very freely taken of the new rules regarding commutation; and some additional expenditure under Political from the Imperial assignments which, as already mentioned, were given during the course of the year to meet unforeseen requirements on the North-East Frontier.

As above mentioned, provision has been made for the payment of contributions to district boards in the United Provinces to compensate them for the loss of the share of the land cess which was appropriated for provincial purposes during the year.

General results, Imperial and Provincial.

18. The Imperial revenue which was put down at £53,044,000 in the Budget is now estimated at £53,619,000, a total increase of £575,000, but against this the expenditure has risen, as explained above, from £51,718,000 to £52,291,000. The Imperial surplus which was estimated in the Budget at £1,326,000 thus becomes £1,328,000, that is, it remains practically unchanged. The Council will realize from these figures that it would have been impossible on this occasion to grant any of the large and unexpected bounties to Provincial Governments which my predecessor was able to bestow out of his abundance, though we are glad to have been able, without unduly drawing upon our surplus, to make the non-recurring grants which I have already mentioned in dealing with the Land Revenue head, and to arrange for the immediate discharge of the arrears already mentioned as due to Mysore on account of the Bangalore Assigned Tract.

19. The Provincial Governments in the aggregate are now expected to obtain a revenue of £30,643,000 against £29,280,000 taken in the Budget, while their expenditure is reduced from £32,193,000 to £31,384,000. The result is that the net Provincial deficit, met by drawings from balances, which was estimated at £2,913,000 in the Budget, has now fallen to £741,000, with the consequence that the Provincial balances, which were £10,557,000 at the beginning of the year, are expected to stand at £9,816,000 at its close. Of this large closing balance, £4·3 million roughly represents special grants given by the Government of India for expenditure on education and sanitation and other beneficent local purposes, which are still awaiting specific application.

Budget Estimate for 1914-15.

20. I now turn to the estimates for the coming year. The leading data are summarized in the subjoined table :—

[In millions of £]

	Revised, 1913-14.			Budget, 1914-15.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
Revenue . . .	53·619	30·643	**84·262**	54·261	30·772	**85·033**
Expenditure . . .	52·291	31·384	**83·675**	52·981	33·981	**86·962**
Surplus (+) or Deficit (−)	+1·328	−·741	**+·587**	+1·280	−3·209	**−1·929**

The Imperial surplus which we hope to obtain in 1914-15 is £1,280,000, and in present circumstances it is desirable to have an unallotted balance of about this amount to assist us in our heavy capital commitments. Such a surplus also serves the purpose of a reserve against unforeseen contingencies, seasonal or otherwise,

the occurrence of which might otherwise embarrass us. On the other hand, owing to renewed provision for heavy expenditure by Local Governments from their special grants, we anticipate a Provincial deficit of £3,209,000; that is, the provincial balances will be drawn upon to this extent. The combined effect of the Imperial surplus and the Provincial overdrafts is, on the whole account, a net excess of expenditure over current revenue by close on £2 million.

Revenue.

21. We place the aggregate revenue of the coming year at £85,033,000 or about £$\frac{3}{4}$ million more than the revenue as deduced in the Revised estimate. To indicate the main causes leading to this result, I append a statement showing the principal variations in the yield of our more important sources of revenue, arranging them as before with special reference to the authority, Imperial or Provincial, to which they are credited.

[In millions of £]

	Revised, 1913-14.			Budget, 1914-15.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
Revenue.						
1. Opium . . .	1·606	...	**1·606**	1·751	...	**1·751**
2. Customs . . .	7·355	...	**7·355**	7·237	...	**7·237**
3. Mint . . .	·405	...	**·405**	·250	...	**·250**
4. Post Office . .	2·401	...	**2·401**	2·552	...	**2·552**
5. Railways—Gross receipts less working expenses; and other items .	17·518	·001	**17·519**	17·328	·001	**17·329**
6. Land Revenue . .	7·704	13·393	**21·097**	8·327	13·382	**21·709**
7. Stamps . . .	2·669	2·568	**5·237**	2·737	2·634	**5·371**
8. Excise . . .	2·515	6·392	**8·907**	2·604	6·545	**9·149**
9. Provincial Rates . .	...	·179	**·179**	...	·030	**·030**

22. *Imperial Heads.*—Under Opium, we have taken credit for an improvement of £145,000 to which I shall allude in the separate section on this subject.

Under Customs, we anticipate a decline of £118,000. In the case of cotton manufactures, a falling off in imports is very generally anticipated, and we have allowed for this by assuming a reduction in the high duty figure obtained in the current year. Under certain other sub-heads also, under which an abnormal increase has occurred this year, we have been obliged to estimate somewhat cautiously.

The decrease of £155,000 under Mint is, in the main, the result of the practice, which I have already explained, of refraining from taking credit in our budget for any possible coinage of rupees. Under Post Office we expect an improvement of £151,000 from normal growth.

The net receipts from Railways are put at £190,000 below the figure of the current year. As I have already explained, the estimating under this head is a matter of some anxiety, especially at a time like the present when unfavourable conditions are known to be present, though their effect upon our revenue is hardly, as yet, distinctly traceable. It is not impossible, I hope, that another term of rapid expansion awaits us in the near future; but in present circumstances it would not be sound estimating to rely on this contingency. On the other hand we are entitled to count upon some steady advance, especially in passenger traffic. On the whole, we consider it safe to assume a further growth of £570,000 above the receipts of the current year. The

whole of this however, and something over, is absorbed by additional provision (£550,000) for working expenses and an increase (£210,000) in the surplus profits due to companies working State lines. As regards working expenses, the grant for 1913-14, as I have already stated, was somewhat restricted, and though this has been partly made good by additional grants in the current year, it is considered that a larger provision for betterment is required if the railway lines are to be continuously maintained in a state of efficiency. We have also of course to provide for the carriage of the larger volume of traffic which our increased estimate of receipts implies. In the case of surplus profits, the increase is due partly to normal expansion, but mainly to the fact that this year's figure does not really represent a full year's payments owing to a change in the statistical basis of railway transactions from the calendar to the financial year.

23. *Divided Heads.*—Coming now to the divided heads, I will deal first with the improvement which we expect under Land Revenue. The explanations which I have given in connection with the Revised estimate will have reminded Honourable Members that in dealing with this head we have to distinguish between two factors, namely, first, the real improvement which emerges when the aggregate receipts are considered, and secondly, the complicated adjustments which modify the normal distribution of the aggregate receipts between Imperial and Provincial but do not affect the total. Again, this practice of passing on any Imperial subventions to Local Governments by giving them more than their normal share of the land revenue receipts entails the further consequence that any special proposals in connection with a new budget must, if they involve assistance to Local Governments, be presented as transactions under this head. I will try to bring out the main facts clearly.

In the first place, the real improvement, *i.e.*, the improvement in aggregate receipts, amounts, on the assumption that the coming monsoons will be normal, to £612,000, the bulk of it accruing in the United Provinces, the Punjab, Bengal, Madras and the Central Provinces. The normal distribution of the total improvement between Imperial and Provincial would be £347,000 to the former and £265,000 to the latter.

As regards the second consideration, however, the conditions which I described in connection with the Revised estimate are now in the main reversed The Land Revenue receipts in the United Provinces are expected to approximate very closely to the guaranteed minimum, so that the further burden on Imperial on this account will be negligible. Then again, we are of course relieved this year from the non-recurring assignments given to the Local Governments in the Revised, and the new assignments—the most important of which I shall refer to shortly in connection with our budget proposals—are on a smaller scale. The result is that, owing to these differences in adjustments, the actual Imperial share of the aggregate improvement in Land Revenue will be £623,000, while there will be a decrease of £11,000 in the Provincial share.

24. I will now state the special measures to which we propose to give effect in connection with our budget for 1914-15. After setting aside the funds required for the adequate maintenance of the various administrative services and the railways, and reserving the revenue surplus of £1,280,000 already referred to, we find ourselves in a position to dispose of some £240,000 not thus allotted. This may seem but a meagre sum after the good fortune of the last few years, but, in the circumstances which now confront us, we ought rather to congratulate ourselves on being able to anticipate a margin of available revenue at all. It is sufficient at any rate to serve certain very useful, if relatively modest, purposes. In the first place, we have had before us a request from the Burma Government to be placed in possession of larger resources for the prosecution of a comprehensive scheme for developing communications in that Province. We have given this request our careful consideration, with reference both to the importance of the object which the Local Government has in view, and to the bearing of the proposal on the permanent provincial settlement which was introduced in 1911-12. A final decision has not yet been reached on the question of a permanent augmentation of provincial resources, but in the meantime we have decided to give the Local Government assistance in 1914-15 by means of a non-recurring grant of £100,000. I may add, however, that in any event there will be no departure from the general principles on which our permanent settlements are based.

Secondly, we propose to provide £40,000 (recurring) for the remission of a number of miscellaneous contributions which local authorities at present pay to Local Governments as a return for services rendered by the regular provincial establishments, but

in regard to which it is held that no recovery need hereafter be made. This is a step which follows a recommendation of the Decentralisation Commission, and I may be allowed to express my personal satisfaction at being able, in another capacity, to take a share in making the Commission's recommendation effective and in doing away with a number of troublesome, and in some cases questionable, recoveries which affect a large number of local bodies.

Thirdly, we propose to make recurring grants of £60,000 for Education, and £40,000 for Sanitation. I need not say that it would have been a great satisfaction to the Government of India if financial conditions had permitted of a larger grant in aid of these primary objects of our policy. We fully recognize the necessity of adequate provision for the increase in expenditure which the great advance now being made in Education and Sanitation must inevitably entail. But Honourable Members will recognize, I think, that in a year like the present it is not practicable to go further than is now proposed as regards Imperial allotments.

The great bulk of these grants, which aggregate £240,000, will be adjusted through the Land Revenue head, and I have therefore thought it convenient to deal with them here. But a portion, namely, the Sanitation grant of £40,000 and £7,000 out of the Education grant, will be held in reserve for the present, and must therefore on technical grounds be treated as an addition to Imperial expenditure.

25. I return, after this digression, to my task of explaining the principal improvements of revenue. The next head requiring mention is Stamps, under which an advance of £134,000 is expected, representing normal growth. Bengal and Madras are the chief contributors to this improvement, of which £68,000 falls to Imperial.

The Excise revenue of the current year shows the large advance of £629,000 upon that of 1912-13. This is a head which is specially liable to be affected by adverse agricultural conditions, and in the circumstances of the coming year we have taken credit for a more moderate rate of increase, the improvement anticipated being £242,000, of which the Imperial share is £89,000. The bulk of the increase will be obtained in Madras.

26. *Provincial Heads.*—I need only mention here that under Provincial rates, there is a nominal falling off of £149,000 which represents the disappearance of the credit in the United Provinces to which I referred in dealing with the Revised estimate. Instead of levying contributions from local boards and then repaying them by additional grants as in 1913-14, the Local Government will in future neither make the recoveries nor have to refund them.

27. *General.*—Taking our revenues as a whole, we are budgeting for an aggregate increase of £771,000, of which the Government of India obtain £642,000 and the Provincial Governments £129,000. It is difficult to summarise without repetition the complicated facts which lie behind this bare general result, but there are one or two circumstances to which I should like to give some prominence. In the first place, it is satisfactory to note that almost every one of the larger heads contributes materially to the net advance. Secondly, the circumstances of the coming year to some extent obscure the real value of our State railways as a revenue producing asset. We have to budget with special caution as regards receipts, and to allow on the present occasion for a material addition to working expenses. Thirdly, much of the large increase under land revenue is indicative merely of recovery from the depression of the current year and does not represent a further advance. But reading the figures as a whole in the light of the facts which they represent, I think it is manifest, as I said in dealing with the Revised estimate, that they point to sound and stable fiscal conditions.

Expenditure.

28. The aggregate Imperial and Provincial expenditure for which we propose to provide in 1914-15 is £86,962,000, or an increase of £3,287,000 above the expenditure of the current year. The increase under Imperial heads amounts, however, to £690,000 only, the remainder occurring under Provincial, and being due in the main to drawings on the abnormally large balances at present in the possession of Local Governments. I append a comparative statement as before. I may add that, with the experience of the current year in view, I am personally a little sceptical as to the provinces being able to spend as much as they anticipate, and notably under Education and Medical. They are however sanguine on this point, and as the

matter does not affect the Imperial surplus or diminish our balances unduly, we have accepted the estimates as they now stand.

[In millions of £]

	Revised, 1913-14.			Budget, 1914-15.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
Expenditure.						
1. Opium . . .	1·070	...	**1·070**	·658	...	**·658**
2. Military Services .	21·399	...	**21·399**	21·886	...	**21·886**
3. Interest on Public Debt.	8·437	·876	**9·313**	8·669	·906	**9·575**
4. Interest on Capital of Companies	1·973	...	**1·973**	2·187	...	**2·187**
5. Subsidized companies: payments for land.	·080	·002	**·082**	·193	·001	**·194**
6. Miscellaneous . .	·346	·263	**·609**	·178	·395	**·573**
7. Land Revenue . .	·318	3·666	**3·984**	·342	3·841	**4·183**
8. Forest . . .	·081	1·095	**1·176**	·087	1·261	**1·348**
9. Police . . .	·243	4·623	**4·866**	·267	4·936	**5·203**
10. Education . .	·119	3·123	**3·242**	·164	3·836	**4·000**
11. Medical . . .	·142	1·236	**1·378**	·184	1·701	**1·885**
12. Civil Works . .	1·092	5·954	**7·046**	1·108	6·347	**7·455**

29. *Heads mainly Imperial.*—The decline of £412,000 under Opium expenditure is dealt with in the separate section on that subject; as also the increase of £487,000 under Military Services.

The interest on our Public Debt increases every year as new loans are raised, and with the heavy borrowings which we contemplate in 1914-15 we have to provide for an addition of £262,000 for interest on the Public Debt proper, the bulk of which falls on Imperial, as well as for £214,000 more (entirely Imperial) in connection with that portion of the Secretary of State's borrowing transactions which he effects through the agency of companies working State lines. The railway estimates also include an additional provision of £112,000 for the purchase of land for Branch line Companies.

30. *Divided Heads.*—Under Miscellaneous there is a decrease of £168,000 under Imperial, mainly accounted for by the non-recurrence of the exceptional payment of £200,000 which we have had to make in the current year in connection with the Bangalore surplus. The increase of the Provincial expenditure under this head includes some allowance for the remission of *takavi* loans and other indirect famine expenditure; and also provision in respect of the remission of miscellaneous contributions from local bodies to which I have already referred in reciting our new budget proposals, and which, as there stated, is made up for by an Imperial contribution under the Land Revenue head.

31. *Heads mainly Provincial.*—Under 3.—Land Revenue, there is an increase of £199,000, of which £175,000 is Provincial. This latter increase is distributed among the Provinces generally, the principal single item being a lump grant of £42,000 in the United Provinces for the revision of ministerial establishments.

The Forest expenditure shows an increase of £172,000, of which a large part is due to a special scheme for the supply of railway sleepers in the United Provinces and is represented by counterbalancing receipts.

Under Police, there is also a large increase, £337,000. This again is spread over every province, but a large part is due to provision for a number of reforms in Bengal, and for the provincialization of village police in Oudh, which had to be deferred in the current year.

The increases, aggregating £1,674,000, under Education, Medical and Civil Works will be considered in the special section devoted to these heads.

The Budget also includes substantial provision for famine relief expenditure, the funds for the Imperial share of this outlay being found, as in the current year, by diverting the normal provision for reduction or avoidance of debt. The figures will be given in the separate section on this subject.

32. I now turn to certain heads which require special comment.

A.—Military Services.

33. To commence with, I present the usual statement showing the gross and net expenditure on Military Services for the coming year and the four years preceding.

	Gross.					Net, *i.e.* deducting receipts.
	Army.	Marine.	Military Works.	Special Defences.	Total.	All Military heads.
	£	£	£	£	£	£
1910-11 . . .	19,131,780	445,867	900,437	7,987	20,486,071	19,265,042
1911-12 . . .	19,536,546	450,728	909,657	4,706	20,901,637	19,558,580
1912-13	19,576,526	479,928	887,379	9,267	20,953,100	19,565,466
1913-14 (Budget) . .	19,555,900	478,300	949,100	24,500	21,007,800	19,646,800
1913-14 (Revised) . .	19,920,300	498,700	955,900	24,300	21,399,200	20,019,400
1914-15 (Budget) . .	20,269,100	521,900	1,062,100	33,000	21,886,100	20,500,000

34. There is thus a net increase of £373,000 in 1913-14 over budget anticipations, the result of a rise of £19,000 in receipts and of £392,000 in gross expenditure. The increased expenditure is mainly due to the fact that when fixing the budget estimate for military food and fodder charges, my predecessor anticipated that, thanks to good seasons, prices would reach a lower level in the current year than had been attained in 1912-13. This anticipation has unfortunately not been fulfilled; and under this particular item we are £338,000 worse than the budget. There has also been an unforeseen additional expenditure of £43,000 in connection with special services. While the outlay on arms traffic operations has been somewhat smaller than was anticipated, this saving has not sufficed to counterbalance the extra charges involved in the early return of Indian cavalry from Persia, where their cost was partly met by His Majesty's Government, the despatch of reinforcing troops for Muskat, the prolonged employment of work parties on the North-East Frontier and the concentration of troops at Dacca.

35. The net Military budget for the coming year has been fixed at £20½ million, a sum which represents an advance of £481,000 upon the net expenditure now anticipated in the current year and of £853,000 above the standard adopted in framing the budget last March. There are two main reasons for this excess above the budget total for 1913-14. In the first place, we are again faced with a high figure for the provisioning of the army, and have to provide an additional £362,000 on this account, as present conditions evidently point to an even higher scale of prices than those of the current year. Secondly, we have increased the grant for special military expenditure by £423,000, or by about £350,000, if we exclude

certain special store liabilities carried forward from the current year, to meet which we have reduced our ordinary demands for 1914-15 by making advance purchases this year. The main factor in this large addition is the provision of £117,000 more for the purchase of new rifles, a measure of admitted urgency. We have also to provide £85,000 in all for additions to the pay of British Service officers which will have to follow the concessions recently made in this direction at home and which it is proposed to apply, as there, from the 1st January last. Among other large requirements I may mention the provision of a dredger and station ship for the Royal Indian Marine, towards which we have provided £60,000, and military aviation which obtains £23,000 more than in the current year. We also include under special military expenditure the cost of the new cantonment at Delhi. The greater part (£73,000) of the grant of £107,000 for this purpose in the current year has been spent on the acquisition of land: in 1914-15 more rapid progress in construction can be expected, and the total grant is being raised to £133,000.

The balance of the aggregate provision for special military expenditure will be mainly applied to the supply of army stores and equipment, and to the continuance of building works in progress, with special reference to the improvement of the accommodation of Indian troops and followers, a measure for which £87,000 is again being set aside as in previous years.

The reasons for proposing a higher standard of expenditure are thus of a readily definable nature, and to some extent, I hope, special and temporary. Our proposals at any rate imply no setting aside of the Army in India Committee's recommendations. We have not yet been in a position to deal with these fully. We shall have to consider them with great care and subject to the fundamental consideration that we cannot, for the sake of any immediate money gain, do anything which would weaken our military position. We have also to await the opinions of Sir Beauchamp Duff whom, I am sure, we shall all welcome very cordially on his approaching return to India to take up the high office of Commander-in-Chief and Army Member.

Time does not permit me to go into a detailed study of the past course of military expenditure, though the increased outlay which we are now proposing would have made me glad to do so, for, if we look back a few years, we find that it is not unprecedented: in 1904-05 the net expenditure amounted to an even higher figure (£20,696,000).

B.—Opium.

36. An important feature of the Financial Statements presented by my predecessor was an account of the position as regards opium. Last year, however, Sir Guy Fleetwood Wilson pronounced the funeral oration of the China trade. We have ceased, it is true, to sell opium for export to that country, but one of the many embarrassing problems raised by our long connection with China in this matter still remains for solution. I refer to the question of the disposal of the stocks of Indian opium which have accumulated in the China ports. These stocks, which amounted to over 26,000 chests at the beginning of 1913, have now been substantially reduced, but over 12,000 chests, representing a large amount of locked-up capital, still remain. This opium has been imported in pursuance of diplomatic engagements which have been faithfully observed on our side; indeed, as the Council is well aware, we have made concessions that went far beyond our original obligations. In China, on the other hand, cultivation still continues in several of the provinces, and vigorous as the attempts to carry out a prohibitionist policy have no doubt been, there is still a large local demand for opium and a considerable amount of local production. The accumulations of Indian opium are due in fact not to any excess supply, but to impediments which have been placed in the way of their passage into consumption which is legitimate, and provided for by treaty, in areas in which Chinese production still continues

37. There still of course remains the much less remunerative trade with other Far Eastern countries such as the Straits Settlements, Hong Kong and the Dutch East Indies. Now that the China export trade has ceased, we can hope to put the balance of the export trade on a more settled footing. As explained by my predecessor, the amount of non-China exports fixed for 1913 was reduced from 13,200 chests—the number exported in 1912—to 9,000 chests only. This was done as a purely temporary measure, with special reference to the immediate situation in China—a situation which

it does not seem to have affected in any real way. The non-China markets on the other hand have been much disturbed by the drastic curtailment of legitimate supplies, and we have had to turn our attention to that side of the case. In most of these other countries which take our opium the drug is a Government monopoly, its use and sale being governed by regulations and restrictions as in India. The sudden reduction in the supply of uncertified opium naturally put those countries to considerable inconvenience, for they found great difficulty in obtaining sufficient opium to work their monopolies, and were obliged in some cases to make up the deficiency by turning to Persian opium. In deference, therefore, to the strong representations of the Colonial Governments, and to prevent an increasing encroachment on our remaining markets, we decided to revert in 1914 to the number of chests (13,200) which were exported in 1912. This number, so far as our information goes—and the change was not made without careful consideration based on the most reliable figures available—is not in excess of the legitimate requirements of these countries, and it is indeed actually less than the amount which we were selling to them a few years back.

We estimated that the 9,000 chests to be sold during the current financial year would realise on an average ₹1,800 a chest. The disturbance of trade expectations caused by the drastic reduction of the sales caused, however, a large though temporary inflation of prices, and at the sale held in April 1913, ₹3,011 per chest was realised. Thereafter the market remained unsettled, and prices, though still high, were extremely fluctuating, but with a general downward trend, until the announcement of our intention to revert to an export of 13,200 chests during 1914, when a heavy further fall occurred. On the whole we anticipate that an average price of ₹2,066 will be realised during the financial year, and the improvement of £161,000 in 1913-14 to which I have already referred is due to this cause.

As regards the coming year, prospects are still very uncertain, and in estimating for 1914-15 we have thought it best to follow closely the indications supplied by recent sales. We have therefore assumed that the 13,200 chests will be sold at an average of ₹1,600 per chest. This accounts for an improvement of £168,000 over the sale proceeds of 1913-14, which, as already mentioned, represent a much smaller number of chests. The actual increase (£145,000) under the head as a whole is, however, somewhat less, owing to this year's revenue having been enhanced by arrear collections.

38. My predecessor mentioned last year that it had been decided to compensate the Malwa States for the premature closing down of the China trade by purchasing from them the amount of opium by which their exports to China in 1913 might fall short of the number of chests which had been assigned to them in our programme for that year. We accordingly purchased some 12,000 chests at an average price of about ₹650 per chest. Malwa opium is by its constitution unsuited for consumption in the non-China markets, and we are, therefore, endeavouring to utilise the opium so purchased by blending it with the opium grown in the United Provinces, for issue as excise opium. The necessity for such a purchase does not arise in 1914-15 and our opium expenditure is thereby reduced to the extent of £518,000. On the other hand, the long continued rise in the value of agricultural produce generally has compelled us to enhance the price paid to cultivators in the United Provinces for raw opium juice from the rate of ₹6 a seer, which has been in force ever since 1894, to ₹7-8 a seer, and the additional expenditure involved by this higher rate, and also by the better yield which is now anticipated, to some extent counterbalances the saving already mentioned. The net result is therefore a decrease in expenditure of £412,000 as compared with the Revised.

C.—Famine Relief.

39. I have already explained how the faulty distribution and premature cessation of the monsoon have led to famine conditions in certain areas. Fortunately, the relatively limited area of drought, good crops in the previous year, and the increased staying power of the people have rendered the calamity much less serious than it would otherwise have been. In the United Provinces the worst tract comprises an area of 46,000 square miles and 19 million people, and may be taken to include the whole of the Agra, Rohilkhand and Bundelkhand Divisions, and parts of the Allahabad and Lucknow Divisions. The failure of the monsoon in the parts most affected in this tract is worse than in the famine of 1907-08, but stocks are ample and the people are in a better condition to face misfortune, and actual famine conditions have hitherto

been confined to the four districts of Jalaun, Banda, Hamirpur and Etawah. Scarcity has been declared in seven other districts of the United Provinces, but test works have attracted fewer persons than was originally expected, and gratuitous relief in these districts is still on a comparatively small scale. The scarcity area also includes several districts of the Bombay Presidency, but distress is likely to be acute in the Sholapur district only. In the Central Provinces the situation was improved by an opportune fall of rain at the beginning of December, and it is not apprehended that direct relief will be necessary except on a small scale in the districts of Jubbulpore, Saugor and Damoh. Test works have also been opened in the Merwara district in Ajmere, and though actual famine has not been declared in the Punjab, railway concessions for fodder have been granted in the eastern portion of that Province, as well as in other scarcity areas.

40. The occurrence of famine and widespread scarcity affects our finances in several ways directly, and in many indirectly. In the first place, it involves at once the distribution of agricultural advances on a largely increased scale, and the direct outgoings on this account have already amounted to about R125 lakhs, of which the United Provinces have taken 115 and the Central Provinces 7. Secondly, it entails suspensions, and ultimately considerable remissions, of land revenue. In 1913-14 we are suspending altogether R85 lakhs, mainly on this account: in 1914-15 the budget provides for further suspensions of R33 lakhs, but against this it is expected that, given a favourable monsoon, R51 lakhs of the previous suspensions will be recovered. The definite remissions provided for amount to R20 lakhs in 1913-14, and R54 lakhs in 1914-15. Thirdly, there is the actual expenditure on famine relief in which, as I may explain incidentally, we also include the cost to Government of the reduction of railway rates for the carriage of fodder, this being now an accepted method of dealing with the scarcity of fodder which accompanies famine conditions. Under the head "33—Famine Relief" an expenditure of R29 lakhs is anticipated in 1913-14 and R45 lakhs in 1914-15 or in all R74 lakhs, the greater part of this outlay—some R20 lakhs in the current year and R35 lakhs in 1914-15—being incurred in the United Provinces.

41. Then again, on the occurrence of famine, we have to suspend a part of the full provision which we make in normal years for famine insurance. As Honourable Members are aware, out of the million pounds a year devoted to this purpose, half is spent on protective irrigation works and, where necessary, protective railways. This expenditure goes on unchecked during famine times. The remaining half is actually spent, in good years, wholly on productive capital undertakings, being treated in our accounts as utilised in the reduction or avoidance of debt. In a famine year, however, any expenditure on actual famine relief up to a maximum of about £$\frac{1}{4}$ million (R37$\frac{1}{2}$ lakhs) is accompanied by a corresponding curtailment of the allotment for reduction or avoidance of debt, and only the balance of the half million remains available for productive capital works. It is expected that the Imperial share of famine relief expenditure will amount to some R28$\frac{1}{2}$ lakhs in the current year and R30 lakhs in 1914-15, a further balance of R15$\frac{1}{2}$ lakhs being Provincial. Thus, unless these anticipations are disappointed, the outlay on direct famine relief will not, in itself, involve a deterioration in the Imperial revenue account, as the whole of the funds required will be found by diverting a portion of the normal provision for reduction or avoidance of debt. Some small expenditure (£47,000) on famine relief was in fact provided for, in this way, in the current year's Budget.

42. The figures also illustrate the working of the system of Provincial famine credits. It is too complicated a system for me to describe in detail here. But, as applied in actual practice at a time like the present, it produces this definite result that while the United Provinces, the Punjab, Bombay and the Central Provinces, all expect to have a certain amount of famine expenditure to meet in the current year and in 1914-15, the funds will be found in the last three cases entirely from Imperial resources. In the case of the United Provinces, the first R19 lakhs of famine relief expenditure in the current year will be an Imperial charge. This will exhaust the amount now at credit of the Local Government, and provincial resources will have to find about R$\frac{1}{2}$ lakh in the current year and nearly half the entire expenditure anticipated in the province in 1914-15, *i.e.*, about 15 lakhs out of 35. The Local Governments, though not wholly exempted from responsibility in regard to famine relief expenditure when serious distress occurs, are at any rate relieved of a very large part of the burden which under previous arrangements they were expected to bear unaided.

D.—Expenditure from Special Grants (Education, Medical, etc.).

43. The heads of Education, Medical and Civil Works have been reserved for separate consideration for two reasons. In the first place, the bulk of the expenditure of the Local Governments from the special grants given by the Government of India falls under these heads. Secondly, to obtain the true outlay on education and sanitation, it is necessary to take account of the civil works expenditure also, as much of the provision made in successive budgets for the former purposes is eventually transferred, when the expenditure comes to be incurred, to the public works head, and allotted to the construction of schools and other works, or made over to local bodies by direct grants which it is the practice to bring to account as civil works charges. The following table shows the expenditure under these heads from 1910-11 onwards. I have chosen that year as the starting point of the comparison, because it is the last year before these special grants began to be given by the Government of India on a large scale.

[In thousands of £]

	Education.			Medical.			Civil Works.		
	Imperial	Provincial.	Total.	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
1910-11 . . .	73	1,773	**1,846**	78	905	**983**	714	3,823	**4,537**
1911-12 . . .	58	1,963	**2,021**	67	1,088	**1,155**	834	4,619	**5,453**
1912-13 . . .	120	2,490	**2,610**	185	1,142	**1,327**	1,124	4,936	**6,060**
1913-14 Budget . .	144	3,934	**4,078**	163	1,858	**2,021**	1,076	5,506	**6,582**
1913-14 Revised . .	119	3,123	**3,242**	142	1,236	**1,378**	1,092	5,954	**7,046**
1914-15 Budget . .	164	3,836	**4,000**	184	1,701	**1,885**	1,108	6,347	**7,455**

44. It will be seen that since 1910-11 the scale of the expenditure under Education and Medical has practically doubled; and that there has also been an increase of 64 per cent under Civil Works. To illustrate the extent to which this additional expenditure is being financed by special grants, I append the further figures below. These apply to Provincial outlay only, as the increase on the Imperial side, which includes the provision for minor administrations, is, speaking generally, supplementary to the expenditure met from special grants, except that, as already explained, the Imperial figures for 1914-15 include such portions of the new grants as are still undistributed.

Expenditure from special Imperial grants included in provincial expenditure.

[In thousands of £]

	Education.	Medical.	Civil Works.		
			Education.	Medical.	Other objects.
1911-12 . . .	144	136	70	40	142
1912-13 . . .	488	108	199	222	290
1913-14, Revised . .	920	185	265	341	517
1914-15, Budget . .	1,604	526	252	263	710

45. These figures have been specially compiled for the present purpose, and must not be regarded as claiming absolute accuracy. From this point of view, they are not altogether suitable for inclusion in a Financial Statement, which should ordinarily deal with strict accounts figures. But the matter is one of very great interest, and Honourable Members will, I think, feel with me that it is worth attempting to clear it up in some degree.

Taking the two tables together, and comparing 1914-15 with 1910-11, it will be seen that the direct expenditure on Education has increased by £2,154,000. Some further educational expenditure is also included, as already stated, under the Civil Works head, of which £252,000 can be distinguished as it has been incurred from

the special grants. Thus, there is a known increase, in all, of about £2,406,000. Of this amount £2,315,000 is Provincial, and is being financed to the extent of £1,856,000 from special grants given by the Central Government.

Similarly, the Medical expenditure, which of course includes sanitation, has increased by £902,000 directly, or £1,165,000 including again the Civil Works portion of the special grants. Of this increase, £1,059,000 is Provincial, and is being financed to the extent of £789,000 from special grants

The same data will serve to elucidate the figures under Civil Works. The total increase under this head since 1910-11 is shown to be £2,918,000, of which £2,524,000 is Provincial. Of the latter sum, about £515,000 is provided, as already stated, from the special grants given for Education and Sanitation and £710,000 from special grants for miscellaneous purposes. The remainder of the increase represents a general enhancement of the scale of administrative outlay rendered possible by the favourable settlements now in force.

46. In thus comparing the Budget provision for expenditure on Education and Sanitation which is found possible in 1914-15 with the standard previously existing, I must guard myself against seeming to regard the higher figures of the coming year as necessarily representing a permanently established standard. That of course is not the case, as the provision for 1914-15 is found to a considerable extent from non-recurring grants, which are likely to be rapidly exhausted if the Local Governments succeed in developing their spending capacity to the extent which they anticipate. I should like to show the Council the actual position on this point. For this purpose I append a further set of figures showing the aggregate special grants made to the provinces during the four years ending with 1914-15, and the margin which will still be left from these special resources at the end of that year. Two preliminary explanations, however, are required on minor points. First, those grants which were announced in March 1911 in connection with the Financial Statement of 1911-12, but technically given in the Revised estimate of 1910-11, are treated as belonging to the year 1911-12, *i.e.*, as coming within the period mentioned, any trifling expenditure from such grants at the close of 1910-11 being of course excluded. Secondly, as I have already explained, a portion of the recurring Education grant of 1914-15 and the whole of the recurring grant for Sanitation remain as yet unallotted, and have therefore to be treated for the present as Imperial. The figures for recurring grants given below will thus be somewhat enhanced when this distribution is made.

[In thousands of £]

	Total Grants given (1911-12 to 1914-15)		Total Expenditure incurred* (1911-12 to 1914-15).	Balance expected to be available on 1st April 1915.
	Recurring.	Non-recurring.	Non-recurring.	Non-recurring.
(1) Education	756	3,146	2,221	925
(2) Sanitation	245	1,687	1,244	443
(3) Medical relief, etc.	...	58	58	...
(4) Agriculture, etc.	...	177	169	8
(5) Grants for other special purposes	...	1,545	1,325	220
(6) Grants for general purposes ("Discretionary grants").	...	667	493	174
Total	1,001	7,280	5,510	1,770
Add—Savings on recurring grants during foregoing period (about)				108
Total amount expected to be available from special grants on the 1st April 1915				1,878

*Non-recurring figures only are given, as the recurring grants are understood to have now been fully worked up to, any savings obtained from those grants before the corresponding expenditure had been fully attained being added at the foot of the Statement.

47. The figures bring out clearly the fact that the Local Governments have already received very material assistance in regard to the recurring outlay which the progressive policy in Education and Sanitation must entail. For the future, they can rely, first, on the recurring grants already given ; secondly, for a time at any rate, on the large unspent balances which they have still in hand, and thirdly on the growth of their own revenues—a factor which must not be entirely neglected. I have already indicated that I hope that next year, if circumstances are propitious, I may be in a position to give stronger practical proof of the Government of India's continued sympathy in this matter. Meanwhile, the large donations already made have gone far beyond the immediate spending power of the Local Governments, and it cannot be said that further advance is being prejudiced for want of funds.

48. Incidentally, the foregoing paragraphs and the figures cited therein forcibly illustrate the position brought out in the opening part of my speech, *viz.*, that it is impossible, in present circumstances, to attempt to discriminate too definitely between Imperial and Provincial figures in the Budget synopsis. If we were to look at the first table in this section by itself, it would *primâ facie* appear that there had been an enormous increase in Provincial expenditure under Education, Medical and Civil Works ; and that the increase under Imperial, though proportionately much the same, had been, in itself, but small. The figures subsequently adduced show, however, that the greater part of the aggregate increase in Provincial expenditure has ultimately come out of grants made from the Imperial exchequer.

E.—Financial position of the Provinces.

49. As stated in connection with the Revised estimate, the aggregate Provincial balances on the 1st April next will amount to £9·8 million, and as the budget provides for overdrawing to the extent of £3·2 million, the closing balance on the 31st March 1915 becomes £6·6 million. For details, I would refer to Statement D (Financial Statement). I also draw the attention of the Council to a statement at the end of the Financial Secretary's memorandum, which gives a bird's-eye view of the financial position of each province, exhibiting receipts and expenditure as well as balances. These statements afford further evidence of what I have more than once drawn attention to, the prosperous condition of the provinces. The only further remark I have to make is that the provinces constituted by the redistribution arrangements announced at the Delhi Durbar, *viz.*, Bengal, Bihar and Orissa, and Assam are at present on temporary financial settlements. These are to be revised and put on a permanent basis from the 1st April 1915, when sufficient time will have passed since the constitution of the provinces in question to enable such a step to be safely undertaken. The necessary investigations will be made during the coming year.

Capital expenditure—General review.

50. I now turn to a different subject. I have dealt so far with the revenues of the current and the coming years and with the administrative expenditure charged against them. But, as Honourable Members are well aware, there is a large field of governmental activity outside the revenue account. Every year heavy capital expenditure is incurred on Railways and Irrigation works, to which the construction of new Delhi has now been added. There are also other non-revenue issues as, for instance, when we repay temporary debt, or grant loans to local bodies or agriculturists, or authorise the Local Governments to draw on the balances which they bank with us. All these undertakings and obligations have to be financed. The subject has sometimes perhaps been regarded as technical or of secondary importance. On this occasion, however, it presents the most critical problem which we have had to face in framing the financial arrangements of the year.

51. In our revenue budgets we can rely in ordinary years upon inherently progressive revenues from which to meet our ever-growing expenditure. In the case of the capital budget, if I may so call it, we have, again, to provide for expanding expenditure. There is a strong and natural demand for increased outlay on railways and irrigation works, and that demand has our fullest support. But it has to be clearly realized that the corresponding assets are not themselves automatically expanding. To a large extent, indeed, they may almost be described as fortuitous, and it is a mistake to expect that our productive capital expenditure can go up by leaps and bounds. We must be

well content if we can make some advance from time to time, and meanwhile secure the ground which has been gained.

52. The circumstances of the coming year illustrate this in a striking way. My predecessor was able to provide in the present year for a railway programme of £12 million, and the announcement made sometime ago that this figure will be repeated in 1914-15 has perhaps been regarded as merely the natural and normal course for us to take. Conditions to-day, however, are totally different, and the question whether we could in fact finance such a programme has been a matter of no little anxiety to the Secretary of State and to ourselves. The change in the situation can be summed up in a sentence. On the 1st April 1913 my predecessor could count on £6½ million more in balances than we can look for on the 1st April next; on the other hand, the capital obligations, apart from railways, which he undertook in 1913-14, were about £1½ million more than those provided for by us in 1914-15. Thus we start at a net disadvantage of no less than £5 million: the actual difference would in fact have been £6½ million were it not that the Secretary of State has anticipated a portion of his borrowing programme for the coming year by floating a loan of £2 million through the Bengal Nagpur Railway Company in January, more than £1½ million of which will go to swell his closing balance for the current year. I shall explain the permanent significance of this deterioration of our ways and means position later, and will merely remark at this point that it is not primarily the outcome of an unfavourable monsoon; it was in fact part of the original budget arrangements to draw on accumulated balances to the extent of £11 million and so work down to a normal figure. Thus the problem which faced us was not an unexpected one. In the case of 1914-15 it meant this: how could we make good the defect of £6½ million to which I have just referred? More generally, and looking a little beyond the year which is just ahead of us, can we expect to finance a railway programme of £12 million at all except in years when we happen to receive abnormal assistance from balances, *i.e.*, from unexpectedly large surpluses, from heavy lapses, and so forth?

53. Our present decisions are three-fold. First, as I mentioned above, we have decided to maintain the £12 million railway standard. Secondly, the Secretary of State has agreed to borrow, directly or through Railway Companies, about £8 million in England for the requirements of 1914-15—and, as just stated, has already raised a part of this sum—as against £3 million of sterling borrowing budgeted for in the current year; and we hope to borrow R5 crores in India as against R3 crores in 1913-14. Thirdly, we are taking steps to attract increased deposits through the Postal Savings Banks. I should like to say something on each of these points, which constitute the principal departures of policy announced in this Financial Statement.

54. First as regards the railway programme. We are extremely reluctant to go back, even temporarily, on a standard once attained, notwithstanding that that standard was only reached this year, and under totally exceptional conditions. Whether it will be possible to maintain it in subsequent years I do not know and can in no sense guarantee. I can only assure the Council of my earnest wish to do so, if it should be practicable. I must also warn them, however, of the difficulties implied. This figure involves a large advance on anything we have really been accustomed to in the past. From 1908-09 to 1912-13 inclusive, the average budget provision for railway capital expenditure was something under £10 million, and there was no observable tendency in this period to any progressive increase. The actual expenditure—and this is an important point—was considerably less. It averaged only about £8¾ million, the lapses in one year going to swell the budget provision of the next. The Railway Board have lately given great attention to this question of avoiding lapses. They feel—and I agree with them absolutely—that it is far more important to spend the money they get in the year for which it is allotted than to count on getting some of it again a year later. As a result of this, there was fairly full expenditure in 1912-13, and in the current year we expect that the budget grant will be fully utilised, and indeed somewhat exceeded. Accordingly, when we now budget for a programme of £12 million, we anticipate that it will be spent; and the point which I put forward is that in arranging to finance so high a programme, under conditions which give us little abnormal and fortuitous help, we are really advancing the effective standard of railway capital expenditure in two ways. We are in the first place raising our budget provision to a level attained for the first time this year, and secondly we have made arrangements which debar us from counting on any material lapse in that figure.

55. Next as regards our borrowing programme. The rupee loan of 5 crores which we propose to issue represents a record demand on the Indian loan market. The highest figure yet reached was 4½ crores in 1906-07, and after that there was a reaction which culminated in a loan of 1½ crores only in 1910-11. Since then there has been some advance, but it is only during the last two years that we have reached as much as 3 crores again. In some quarters it may be thought that existing conditions hardly warrant such a big step forward as that which we propose to take, but to this I would reply that the loss of confidence in banking deposits and investments at alluring rates of interest, which the present crisis has brought about, must tend to increase the demand for—to use a convenient term—gilt-edged securities. Now the only competitors we in India have in this field are the loans issued by the Presidency Municipal Corporations and Port and Improvement Trusts. In England, on the other hand, India sterling stock is subject to the competition of a great variety of issues of like character, and as evidence of the material difference which this circumstance has brought about, I may cite the fact that although the Secretary of State has abstained this year from any direct borrowing, the price of our sterling securities at Home has for some time stood materially below the quotations for our rupee paper, whereas formerly the relative position used to be the other way. An increase in rupee borrowing is therefore justified not merely by the general considerations which prompt every country to keep as much of its public debt as possible in the hands of its own people, but by the fact that of late it has been more economical to borrow in India than in London. I may point too to the fact that the marked success of our loan this last year showed that the Government would have been justified in applying to the Indian market for a larger sum. Having regard to these considerations, and after consulting those to whose advice we naturally look in these matters, we have determined to make the important advance that I have indicated, believing that in present circumstances we ought to obtain greater assistance from Indian capital towards our productive outlay even though we may have to pay somewhat more for it in the shape of the price of our loan.

56. As regards sterling borrowing, the position is, as I have said, materially different at present, and the amount which can be expediently raised in London in any particular year must be left to the judgment of the Secretary of State and his expert advisers. I may say that he, like ourselves, is fully conscious of the desirability of obtaining as much money as possible for productive purposes in the shape of loans, and this is shown by the statement I have already made as regards next year's Home borrowings. I can give no assurance, however, that borrowing on the scale now proposed will be feasible in future years. That must depend on a variety of circumstances which cannot be prognosticated. One consideration, of which the force will be generally recognised, is that the Secretary of State cannot in any one year undertake to issue loans on so large a scale as to create the risk of injuring the market for his loans in subsequent years. For the practical decisions required each year a great deal of skill, vigilance, and experience are necessary; and regard must be paid to the fact that market conditions change sometimes with dramatic suddenness, as was witnessed, for instance, at the beginning of February, when there was a sudden boom in gilt-edged securities which sent our sterling paper up several points. But the general principle, recognised alike by the Secretary of State and the Government of India, is that our borrowing policy must be one of reasonable courage tempered by reasonable caution, and I lay equal stress on both these factors.

57. I am of course not unmindful of the fact that the Mackay India Office Committee of 1907-08 recommended that the programme of capital expenditure on railways should be fixed at £12½ million per annum, and that this decision was endorsed by the Government of India and accepted by the Secretary of State. I must point out, however, that in calculating the resources which would be required in order to finance a capital expenditure programme of this amount the Mackay Committee postulated that the Secretary of State would be able to raise sums averaging £9 million per annum in England either directly or through Railway Companies. But of late years the circumstances of the market have been such that the Secretary of State has been quite unable to comply with this anticipation. Thus in 1910-11 his net borrowings, including Companies' transactions, amounted to £5 million only.* In

*I arrive at 'net borrowing' by deducting from the total sums raised in a year the amounts necessary for the repayment at maturity of India bills, India bonds, and debenture bonds originally issued by Guaranteed Railway Companies whose contracts with the State had been determined by purchase or otherwise.

1911-12 the net borrowing was *nil*, while in 1912-13, as against £3½ million raised. £6,500,000 were paid off. Further, among the assets which the Mackay Committee took into account was £1 million per annum from net profit on coinage, to be diverted from the Gold Standard Reserve and devoted to capital outlay. It was subsequently decided, however, for reasons which were fully explained in correspondence laid before the Royal Commission on Indian Finance and Currency, that the use for this purpose of part of the profits of coinage should be postponed until the Gold Standard Reserve had risen beyond its present level: and we have thus lost another asset on which the £12½ million Railway programme was dependent.

58. Our third decision relates to the Postal Savings Banks. Until some three years ago, the highest sum which a depositor might place in the Savings Bank in a single year was R200. This was a gross amount, *i.e.*, quite independent of the sums withdrawn in the year. In January 1911 this limit was raised to R500, and the effect has been very striking. The annual deposits have greatly increased, and it is clear that the concession has added to the practical utility of the Savings Bank system. We propose now to go further in the same direction by raising the limit on annual deposits from R500 *gross* to R750 *net*, and also to raise the total amount a man may hold in ordinary deposit at the Post Office from R2,000 to R5,000, other consequential changes, which I need not detail, being also made. We are not relying upon immediate help in the coming year from this measure in financing our capital undertakings, and we are not yet in a position to estimate the actual amount of additional deposits which it will bring in. I regard it however as a valuable, though subsidiary, means of fortifying our position in the future; and it is independently justified by the evidence we have that small depositors whose apprehensions have been roused by the recent banking crisis are already seeking the security which the Government Savings Bank system affords.

59. So much for the coming year. Honourable Members will ask—and I have naturally asked myself—what we are to expect later on. Are the less favourable conditions of the moment likely to prove permanent? This is a question to which I think no categorical answer can be given. But the matter is certainly worth examination. In the first place, we have obtained in the last few years a series of unexpectedly large surpluses, largely from Opium windfalls. These windfalls have now ceased, and to that extent at any rate future prospects are less favourable. Then, again, the whole period of my predecessor's régime was, broadly speaking, one in which the Provincial Governments were building up ever-increasing balances, partly through the unexpectedly rapid growth of their own revenues and partly through Imperial subventions. On the 1st April 1909 these balances stood at £2¼ million; by the 1st April 1913 they had risen to £10½ million. These balances are now likely to be rapidly spent. The effect on our ways and means position is precisely parallel to what happens when a depositor in a bank gradually accumulates a large deposit and then begins to draw on it freely. The bank's own operations, if this were done on a sufficiently large scale, would largely expand during the period of accumulation, and would have to be correspondingly curtailed when the period of withdrawal began. This of course must be a temporary phase, for no Local Government can persistently overspend. But the Provincial balances are still very high, and it may be two or three years before we get back to a normal state of things. Thirdly, as I have already explained, when we budget for a big Railway programme, we must now expect that the grant will be very fully spent. All these factors must tend to check the accumulation of balances and the expansion of our capital programmes in the near future.

60. On the other hand, we are now in a very favourable position as regards the discharge of debt. The payments on this account during the five years ending with the current year have averaged close on £3 million a year. In particular the Secretary of State, thanks to the possession for the time being of large balances, was able between the years 1910-11 and 1912-13 to repay, to the extent of £6 million, India bills which had been issued in 1907-08 and 1908-09 to cope with the special adverse conditions then existing in connection with a large deficit and the exchange crisis. He has also paid off a considerable amount of debentures on certain railway lines which had been purchased by Government. So far therefore we have our hands materially strengthened as regards the future. In the coming year we have to set aside only £694,000 for discharge of debt, and this amount is not likely to be appreciably increased hereafter.

Another factor which has gone to swell the surpluses of the last two or three years has been the unexpectedly rapid growth of railway revenue; and as we have to estimate with reasonable caution under this difficult head, the same result may, let us hope, recur. Here, perhaps, we may let the question rest at present. With the prospect of several years of office before me, I do not want to go too far in the direction of prophecy. I think I have said enough to justify the importance which I attach to this portion of the Financial Statement, and the claims which it has upon the attention of the Council; and, having thus dealt with the questions of policy involved, I will now pass on to the more ordinary aspects of the subject.

Revised Estimate, 1913-14.

61. I compare below the budget programme of capital and other non-revenue issues in 1913-14 with our present estimate of the actual outlay :—

	Budget, 1913-14.	Revised, 1913-14.
	£	£
Capital outlay on—		
(*a*) Railways	12,000,000	12,167,000
(*b*) Irrigation	1,467,000	1,330,000
(*c*) Delhi	1,333,000	505,000
Repayment of railway debentures, India Bonds, etc.	1,868,000	1,878,000
Outlay from Provincial balances	2,913,000	741,000
Local loans account, Imperial and Provincial	106,000*	605,000*
TOTAL	19,687,000	17,226,000

I have already touched on the most salient features of this comparison: that is, the full expenditure on railways, the heavy lapses in the provision for Provincial drawings, and the large payment in discharge of debt. The revised estimate under railways shows indeed a slight increase over the budget, due to a decision to regrant to a certain extent the lapses of the preceding year. A heavy lapse also occurred in the provision for new Delhi, the progress there being less rapid than my predecessor had anticipated. The last entry in the above table includes in the Revised the larger net *takavi* advances for famine purposes: their full effect has been partly counterbalanced by smaller issues or larger recoveries in non-famine tracts.

62. I have also mentioned that this programme was to be financed to the extent of £11 million from the surplus cash balances accumulated in previous years. Apart from this, my predecessor looked forward mainly to the provision (in round figures) of £1$\frac{1}{3}$ million from the Imperial surplus of the year; £2 million from the rupee loan, and £3 million from sterling borrowing by companies working State lines; £1$\frac{1}{2}$ million from unfunded debt transactions, these, as already stated, being to a large extent receipts of the Post Office Savings Bank; and about £$\frac{1}{2}$ million from that portion of the famine insurance grant which can be set aside in prosperous years for the reduction or avoidance of debt. These anticipations have not been exactly fulfilled. Savings Bank deposits have improved by about £$\frac{3}{4}$ million more than was anticipated, owing largely to the stimulus given by the loss of confidence in other investments as the result of the banking crisis. The allotment for reduction of debt has been reduced by the necessity for diverting a portion of the funds to actual famine relief expenditure. Also, owing to the heavy lapses in expenditure and improvements in Provincial revenues, our aggregate cash balances were drawn upon to the extent of about £6·7 million only — a figure which would have been £8$\frac{1}{4}$ million but for the addition obtained from the recent issue of railway debentures. Thus we open the coming year with some surplus cash in hand.

* The figures here represent net outgoings.

Budget Estimate, 1914-15.

63. The following statement indicates our capital programme in the coming year and the funds on which we rely for financing it :—

Outlay.	£ : Million.	*Assets.*	£ : Million.
Capital outlay on (*a*) Railways	12·0	From balances†	4·6
(*b*) Irrigation	1·2	Imperial surplus of 1914-15	1·3
(*c*) Delhi	·7	Rupee loan	3·3
Repayment of India Bonds, etc.	·7	Sterling borrowings	6·2
Outlay from Provincial balances	3·2	Unfunded debt	1·8
Local Loans Account, Imperial and Provincial	·1*	Famine insurance allotment (·2) and minor items	·7
TOTAL	17·9	TOTAL	17·9

Our aggregate capital commitments will thus amount to £17,939,000 or practically £18 million. It will be seen that while maintaining the railway programme at this year's figure, we make a reduced provision for productive Irrigation works (£1,200,000) and for the construction of the new capital at Delhi (£667,000). The allotments proposed are, however, in each case, as much as our technical advisers consider that they can spend. I have already referred to the large provision we have again to make for Provincial drawings and to the satisfactory position in regard to the repayment of debt.

As regards the assets, the only further point which remains for me to notice is the reduced provision from the famine insurance grant, which is mainly due to the continued necessity for applying a portion of the usual allotment to the direct relief of famine.

I have also to add that the announcements made as to our intended borrowings at Home and in India are subject to the usual reservation that the amounts may be varied later on if circumstances render this advisable.

64. I now proceed to add some special remarks on the three main heads of capital expenditure.

A.—Railways.

65. The following statement gives the figures of railway capital expenditure on State-owned lines included within the railway programme for the coming year and the four years preceding :—

	1910-11.	1911-12.	1912-13.	1913-14 (Revised).	1914-15 (Budget).
	£	£	£	£	£
Open Lines including Rolling Stock	5,002,843	5,058,390	7,134,200	10,000,600	10,612,500
Lines under construction —					
(*a*) Started in previous years	2,055,264	2,403,853	2,658,700	2,004,000	1,320,900
(*b*) Started in current year	387,821	452,150	103,200	162,100	66,600
	7,445,928	7,914,393	9,896,100	12,166,700	12,000,000

* This figure represents net outgoings.

† Including the £1½ million (about) obtained this year for next year's programme through the Bengal Nagpur Railway's debenture issue already referred to.

66. I have already dealt fully with the considerations which have governed the fixing of the next year's grant and the financing of it. The greater part of the money included within the railway programme is as usual devoted to the improvement of open lines and rolling stock.

The bulk of the amount set aside for the advance of lines already under construction is allotted to the Lower Ganges Bridge (R47 lakhs), the Burdwan-Howrah Railway (R39 lakhs), and the Itarsi-Nagpur Railway (R35 lakhs), while smaller amounts go to the Bhairab-Tangi Railway, the Southern Shan States Extension, and the Bombay Harbour Branch extension of the Great Indian Peninsula Railway and other schemes. We estimate that, on this basis, we shall have in all 26,466 miles of railway in which the State is directly interested open on the 31st March 1915, against 26,172 miles at the end of the current year, and 24,873 miles 4 years ago. These figures may perhaps seem to indicate unduly slow progress in railway extension. It has to be remembered, however, that the new construction here referred to is that of State-owned lines covered by our railway programme, and the figures take no account of the operations of private companies such as those created under the branch line terms which are now giving such a welcome stimulus to private enterprise. During the current year, the new lines sanctioned under these terms and the new feeder lines financed by District Boards in Madras comprise seven different undertakings, with a total intended mileage of 292; and there is ample reason for anticipating a similar development in 1914-15. The total addition to the railway mileage of the country obtained during the last five years by utilising agencies whose operations are excluded from our railway programme has been 1,131 miles. Of this mileage about three-fourths has been constructed by companies floated on branch line terms, while the payments which the Government have had to make by way of rebate or in pursuance of a guarantee have been insignificant. An important condition of this method of extending the Indian railway system is that the branch line companies must be floated in India on a rupee basis: their increasing popularity thus affords a valuable means of supplementing our State railway programme and of relieving our direct demands upon the London money market.

67. On the whole, I think our critics have no reason to be impatient. A considerable advance is being made as regards direct programme outlay, while the operations under the revised branch line terms may be regarded as practically a new development and already a very promising one. The following figures show the capital outlay on all State lines up to the end of each year from 1910-11, and the net return obtained after deducting working expenses and interest charges :—

[In thousands of £]

	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
Capital outlay to end of each year	300,996	308,961	318,903	331,083	343,086
Net profit from railways during the year after meeting all charges including interest.	2,017	3,788	4,803	4,650	3,921
Percentage of net profit to capital outlay	·67	1·23	1·51	1·40	1·14

The net profit has thus varied from about $\frac{2}{3}$ per cent to $1\frac{1}{2}$ per cent in the years mentioned. In 1909-10 it amounted to $\frac{1}{4}$ per cent only, and in 1908-09 it disappeared and was replaced by a deficit. My predecessor uttered a warning on this subject last year, and I need not repeat what he then said. Briefly, although the net profits we have derived from railways in recent years are *per se* imposing, they represent but a small margin of profit on the total capital involved, and that margin may be materially affected by trade or climatic circumstances beyond our control. In fact, as I have already remarked, now that we are free from the vagaries of opium, the net railway receipts form the portion of our budget which it is most difficult to forecast with exactitude, or rely on with certainty. On the other hand, it is right to remember that the foregoing figures include some capital outlay on protective railways and also that the interest charges taken into account in this calculation include certain annuity and sinking fund payments which are really of a capital

nature, amounting as they do to the discharge of debt. If calculated on a strictly commercial basis, the percentage of net profit would thus be somewhat higher than these figures indicate.

68. It is urged by some critics that the railway profits ought to be employed on improving and enlarging our railway estate. The answer is that this is, as a matter of fact, what we have done. If we take recent years, the total amount which we have devoted towards our capital programme from current revenues, and from balances which represent previous revenue surpluses, much exceeds the amount of profit which the railways have given us. On the other side, it may be urged that this policy is an undesirable one, and that in view of the productive character of railways and irrigation works we ought to find fresh capital outlay therefor exclusively, or at any rate more largely, by borrowing. That is a proposition for which theoretically there is much to be said; but as I have endeavoured to show previously, its application as a matter of practical policy in recent years would have very materially curtailed the development of railways which we regard as a primary necessity of the economic development of the country. Admitting too that revenue surpluses ought eventually to be applied to the benefit of the community, it does not follow that benefits of this character should be exclusively confined to reduction of taxation, or expenditure on such matters, important as they are, as education and sanitation. The community is equally benefited by an extension of railway facilities which expands trade, mitigates the effects of famine and adds to the personal convenience of Indian travellers. It seems to me that in this matter we must avoid doctrinaire considerations on either side, and take the course which existing circumstances indicate as the most expedient.

B.—Irrigation.

69. The financial position of our great irrigation undertakings may be gathered from the following table, which brings up to date the information given in previous Financial Statements. The figures are in thousands of pounds.

Particulars.	1910-11.	1911-12.	1912-13.	1913-14. (Revised.)	1914-15. (Budget.)
Productive Works.					
Capital outlay to end of each year	30,356	31,929	33,347	34,693	35,907
Total receipts, including land revenue due to irrigation	3,407	3,662	4,065	4,184	4,182
Total expenses, including interest on debt	2,085	2,163	2,263	2,319	2,374
Net profit	1,322	1,499	1,802	1,865	1,808
Percentage of net profit to capital outlay	4·35	4·70	5·40	5·37	5·03
Protective Works.					
Capital outlay to end of each year	3,444	3,804	4,205	4,754	5,277
Total receipts, including land revenue due to irrigation	59	71	81	108	101
Total expenses, including interest on debt	140	165	188	214	240
Net loss	81	94	107	106	139
Percentage of net loss to capital outlay	2·35	2·48	2·55	2·23	2·63
Minor Works and Navigation.					
Direct receipts	229	247	266	261	276
Expenditure	878	836	842	913	970
Net loss	649	589	576	652	694

70. Taking productive and protective works together, on the 31st March 1913, 60,488 miles of main and branch canals and distributaries had been constructed, which will, it is expected, be increased to 61,582 miles by the end of the current year. They commanded an area of more than 50 million acres of culturable land, of which nearly 24 million acres were irrigated in 1912-13 and an almost equal amount during the present financial year. It will be observed that while the percentage of net profit on productive works continues large, it has somewhat diminished of late, owing to recent projects not having yet had time to afford their ultimately expected return and to relatively less remunerative schemes being now undertaken. A similar explanation applies to the increasing net loss under protective works.

71. In addition to the canals in operation, there are 43 projects which are either under construction, awaiting sanction, or being examined by the professional advisers of Government. Of these 5 are minor works. The major works, of which 18 are productive and 20 protective, are designed to irrigate nearly 10 million acres at a total cost of nearly £38 million.

72. Although no important projects were sanctioned during the year, satisfactory progress continues to be made with the works under construction. Of the three branches of the Punjab triple canals project, the Lower Bari Doab canal was opened in April 1913. The Upper Jhelum canal is practically complete except for the head-regulator and rock-cutting at Mangla, and will, it is hoped, come into operation in the autumn of the present year. The third branch in the link, *viz.*, the Upper Chenab canal, was opened by His Excellency the Viceroy in April 1912.

The Upper Swat River canal in the North-West Frontier Province is nearing completion and will be opened in April next. The great tunnel which conveys the supplies of the main canal of this system through the Malakand hill was finally pierced last September. This tunnel is more than two miles long and has taken 4½ years in construction. Good progress has also been made with the various irrigation works which are being undertaken in other parts of India, the principal of which are the Tandula and Mahanadi canals in the Central Provinces, and the Godavari, Pravara and Nira Right Bank systems in the Bombay Deccan. In the Punjab experiments are being made in order to demonstrate the practicability or otherwise of making canal channels waterproof by lining certain reaches where excessive leakage now occurs, and if they are successful, valuable water which is at present lost will be available for an extension of irrigation.

73. Of the works under consideration, it has been decided not to proceed with the Sukkur Barrage and the Rohri canal project as at present designed. The Cauvery Reservoir and the Sarda-Ganges-Jumna feeders projects, are still awaiting the settlement of various points in which the Native States are interested. The Kistna Reservoir project is undergoing further investigation. In the Punjab, surveys are now in active progress with a view to the preparation of a detailed project estimate for the great Sutlej valley scheme, a work which contemplates the utilisation of the waters of the Sutlej and Beas rivers for the improvement of the supplies of the several inundation canals now dependent on the former river, and for an extension of irrigation into the desert tracts lying to the south. Investigations are also being made into the possibility of constructing a large storage dam at Koch, in the Nahan State, to supplement the supplies of the Western Jumna Canal.

C.—Delhi Expenditure.

74. The expenditure chargeable to the capital head "51.—Initial Expenditure on the New Capital" during the current year will now, it is anticipated, amount to only ₹75¾ lakhs, as compared with a budget provision of ₹2,00 lakhs. I may briefly indicate what this expenditure represents.

75. The Imperial Delhi Committee was constituted as the executive agency to carry out the work of constructing the new capital with effect from the 1st April 1913. Its first duty was to assemble and organize its own office, as well as a specially selected staff of engineers and subordinates, draughtsmen and clerks. The staff as it assembled was set to work on the extensive survey and levelling operations and other preliminaries essential to the preparation of the estimates for the new city. In May 1913 the Committee framed a preliminary forecast of their expenditure during the year, amounting to ₹89½ lakhs, and were authorised to incur expenditure up

to this amount. It was in fact recognized at a very early date that the full budget provision would not prove to be required. The actual expenditure includes some R43 lakhs for works and R22 lakhs for land acquisition, the remaining R10 lakhs representing establishment and miscellaneous charges. The work set in hand comprises the purchase of a considerable quantity of plant and machinery, including a light construction-railway, steam rollers, rock-drilling plant and the like; the laying out of construction roads; the filling of depressions; the preparation of the site of the central buildings; and the provision of a temporary supply of water and of electric power for machinery and lighting purposes. An arboricultural nursery has also been established to supply trees for the parks and avenues of the new capital. Considerable attention has been paid to the requirements of the large labour force which has been assembled and will continue to grow; and with a view to preventing any possible outbreak of epidemic disease, a special sanitary staff is employed under the direction of the Chief Engineer. In addition to the foregoing work, the Committee have framed and submitted a project estimate for the new city as a whole, and that estimate is now under the consideration of the Government of India.

76. The land acquisition operations were already on foot during 1912-13, and a sum of close on R14 lakhs was expended during that year. The further expenditure of R22 lakhs expected during 1913-14 will nearly complete this branch of the work.

As already stated, an allotment of R1 crore is to be made for the continuance of these operations in 1914-15. Apart from further purchases of tools and plant, the Committee hope to make substantial progress in the collection of material for, and in preliminary work on, road-lighting, water-supply, sewage and drainage and irrigation systems, and in the construction of new roads. A considerable sum will probably be expended upon the construction of service roads, the preparation of the site and miscellaneous works. The exact degree of progress to be expected in work immediately connected with the intended buildings cannot of course be settled with any precision until the project estimate has been fully considered and eventually sanctioned.

77. In paragraph 15 of his last Financial Statement, my predecessor referred to the Government of India's undertaking to give a full account of the expenditure in connection with Delhi. This matter has been under careful examination since, and the exact form of the account is now under reference to the Secretary of State. In the meantime, the Financial Secretary's Memorandum embodies figures in much the same shape as those given last year.

Cash Balances and Secretary of State's Council Drawings.

78. I shall not dwell at any length on the question of cash balances and Council Bills in view of the full examination already made of the factors which go to make up our ways and means position. I must refer, however, to the steady reduction of our balances as a point of interest in itself in view of the public attention which has been directed to this question. We started this year with a balance in India of £19,293,000. This is expected to fall by the 31st March to £14,991,000, and by the end of the coming year to £12,701,000. The minimum balance in India to which, in accordance with past practice, we regard it as expedient to work at the opening of a financial year is £12⅔ million, so that we shall have no large margin on hand unless the Local Governments are again, as in the present year, unable to use a large portion of the provision for expenditure from special grants. The same process has been taking place with the balance held by the Secretary of State. This amounted at the beginning of the current year to £8,784,000 and will be reduced at its close to £6,433,000. Apart therefore from the advance borrowing of about £1½ million already referred to, it is now approaching its working minimum which is usually taken at about £4,000,000, and the estimated balance on the 31st March 1915 (£4,090,000) is actually at that level. Thus in our aggregate balances, which stood at £28,077,000 on the 1st April last, we expect a reduction of over £6½ million in the current year and of £4½ million more in 1914-15.

These figures do not include sums held in the Home balance on behalf of the Gold Standard Reserve. These amounted to about £1 million on the 1st April last, but will be reduced by investment to a negligible figure before the end of the year.

79. The Secretary of State's Council drawings were estimated in the budget at £21,650,000, this estimate covering only such drawings as were required for treasury

purposes. He now expects to sell bills to the extent of £30,250,000, the bulk of the increase being due to additional requirements for the purchase of silver and to the remittance to England of the profit on the corresponding rupee coinage. His drawings during 1914-15, estimating again on the basis of treasury requirements, are put at £20,000,000, but in addition he will as usual sell additional bills on India, so far as our resources may permit, if there is sufficient demand for them. I may repeat that all these announcements about loans and drawings are subject to the usual reservations, full discretion being retained to vary the amounts in such manner as may be found advisable.

Exchange, Currency and Coinage.

80. On the subject of exchange I have little to say. The rupee fell slightly below its par value during June and July, but the abnormal jute prices created an exceptionally brisk demand for money from September onwards, and the average rate for the Secretary of State's drawings for the year as a whole is now expected to work out to 16·066*d.* the rupee.

81. The following statement shows the gross circulation of our currency notes for the last five years, and I also add 'net' figures which exclude the holdings of our reserve treasuries and of the Presidency Banks at their head offices and thus give a clearer indication of the extent to which currency notes are in active use:—

[In crores of rupees]

	Gross Circulation.					Net Circulation.				
	1909-10.	1910-11.	1911-12.	1912-13.	1913-14, Ten months.	1909-10.	1910-11.	1911-12.	1912-13	1913-14, Ten months.
Average . . .	49·66	54·35	57·37	65·62	65·53	38·88	40·82	44·24	47·91	48·65
Maximum . . .	54·41	59·16	61·36	68·98	69·90	42·66	43·37	47·54	52·19	52·72
Minimum . . .	43·65	49·67	54·69	58·34	61·80	36·07	38·52	40·71	44·84	46·08

82. The rapid growth of the net circulation in the last few years affords a gratifying testimony to the success of the policy, initiated by Sir Edward Law and greatly developed by my predecessor, of giving a universal currency to the more popular denominations of notes, *viz.*, those from ₹5 to ₹100, though the effect could hardly have been so complete as now appears were it not for an independent and very welcome tendency in some parts of the country to use notes in preference to rupees. As regards gold, the following statement shows the net imports of gold coin during the last five years and the amounts held at the end of each year in our currency reserve:—

[In thousands of £]

		1909-10.	1910-11.	1911-12.	1912-13.	1913-14.
Net imports of sovereigns and half sovereigns		9,213	8,162	18,228	15,236	4,838*
Amount of gold in Currency Reserve on 31st March.	In India . .	6,202	6,186	15,554	19,583	15,006†
	In England .	2,500	5,045	5,700	6,100	6,100

* Up to December 1913.

† On 15th February 1914.

83. There has been a very heavy fall in the net imports of gold coin as compared with the high figures to which the extraordinary trade activities of the two preceding years have accustomed us. In addition, the Secretary of State has intercepted some of the gold which would otherwise have reached India by selling bills against gold in

transit. A certain amount was also exported during the slack season. The tendency has thus been, for the time being, for the steady issue of gold for circulation to go on unbalanced by fresh receipts, with the result that our holding of gold in India has to some extent fallen back from the high level of a year ago. It still amounts, however, to the large figure of £15 million; and this reduction is not therefore a matter of concern.

There is considerable evidence of an increasing use of gold for currency purposes, especially in the Punjab and Western India, as to which I may refer Honourable Members to the interesting comments contained in the last report of the Comptroller General. I will not enter here into the vexed question whether gold or notes are the better substitute for rupee currency or whether there is not room for both. This, and other matters which may materially affect our future currency and financial transactions, will be considered in connection with the Report of the Royal Commission, in whose proceedings, as I should like to testify, India has been strongly and worthily represented, both as regards the actual personnel of the Commission and by the evidence given by numerous witnesses connected with this country, officials and non-officials, Europeans and Indians. I will merely say at present that anything which reduces the demand for actual rupees in financing our great crops such as jute, rice and cotton, advantages us by diminishing the inconveniences attendant upon heavy coinage.

84. As Honourable Members are aware, the demand for rupees, which had for some time been in abeyance, revived during 1912-13, and no less than R15¾ crores of fresh coinage were added to the silver currency. The abnormal value of jute led to an unprecedented absorption in the autumn months of the current year, and further new coinage amounting to over R10 crores was undertaken. The coinage transactions of the two years have resulted in a profit of close on £5½ million, and have thus considerably strengthened our Gold Standard Reserve, as will be seen from the following figures showing the closing balance of the reserve at the end of each of the last five years :—

[In thousands of £]

	1909-10.	1910-11.	1911-12.	1912-13.	1913-14 (up to 31st January).
Closing balance	18,764	19,260	19,756	22,607*	25,075*

* From 1912-13 onwards securities held in the Gold Standard Reserve have been valued at the current market price instead of at their purchase price.

Taking the Paper Currency and the Gold Standard Reserves together, we at present have a total holding of £26 million in gold and £18½ million in sterling securities, and are thus in a strong position to deal with an exchange crisis, should such a crisis unhappily arise. Here, again, however, I touch upon questions—such as the form and magnitude of the gold reserve, the necessity for its silver branch, the question of an Indian Mint, and so forth—which await consideration in connection with the Report of the Royal Commission and cannot therefore be usefully discussed at present.

Banking.

85. I must now refer to certain aspects of the banking and commercial crisis in Northern and Western India. The main facts of this calamity are well known. The effect of the downfall, in September, of the People's Bank in the Punjab, with its seventy branches and its crore and a quarter of deposits, was far-reaching. The new tendency on the part of the Indian people to invest money instead of hoarding it received a rude shock, and wherever the operations of the People's Bank and of its allied institutions extended, there was a weakening, if not a collapse, of confidence in almost every institution bearing the name of bank. This damage to credit not only spread in some cases to depositors in banks which were conducted on honest and generally sound lines, but in some degree affected the ordinary operations of trade, and especially of the smaller traders who had chiefly benefited by the extension of credit facilities which attended the rapid development of banking institutions during the last decade.

It was not long before the crisis spread to Western India. The failure of the People's Bank had affected the Bombay Presidency through its branches in Sind, and in Bombay itself there were special conditions conducing to the occurrence of a monetary crisis. The first open sign of trouble there was the failure of the Credit Bank in the first week of October, subsequently followed by that of several other banks, one of which, the Indian Specie Bank, had acquired considerable prestige by the daring and apparently successful operations of its Manager. These events were concomitant with the failure of a number of large traders and brokers, and with the complete dislocation of the share market and a general contraction of credit.

The underlying causes of the disasters are still in many instances the subject of judicial enquiry, and the future regulation of banking methods in India is also a separate question, which was already under the consideration of my Honourable Colleague the Commerce Member before these events occurred. I have refrained therefore from entering into such matters, and will only say that I trust that the misfortunes which have overtaken the country will bear salutary fruit hereafter in a sounder and more efficient system of local banking, and that, as was said by His Excellency the Viceroy at Madras last November, the failure of badly managed institutions will not lead investors to withdraw their confidence from those that are intrinsically sound.

I can, however, without objection refer more fully to the attitude of Government throughout this crisis, and to the handling of the situation by the Presidency Banks of Bengal and Bombay.

86. I may preface what I have to say by reminding the Council that the Presidency Banks stand in a special relation to the Government of India. They are the only banks in which the Government places portions of its balances, and the sums so lodged with them form an important element in their total deposits. Accordingly we have been in very close touch throughout with the Bengal and Bombay Presidency banks, and the fact that there has been no direct and open intervention by Government during the present crisis does not by any means imply that we have not carefully and anxiously watched the situation and done what we can to alleviate it. As soon as the crisis developed we made arrangements to increase considerably the ordinary interest-free balances which we keep with the Presidency Banks, so as to enable them to render such assistance as they might deem necessary to institutions which, though quite solvent if given sufficient breathing space, were in temporary difficulties owing to a panic among their depositors. Before the crisis arose, moreover, we had applied to the Secretary of State for permission to make loans to the Presidency Banks up to three million pounds sterling from our balances during the busy trade season. We took that step without any reference to the particular events of this autumn, and because we desired to do all we could to relieve the money stringency which is always felt in India during the cold weather months of a prosperous year. But the fact that the Secretary of State had permitted us to lend these sums to the Presidency Banks at a rate of interest below the current bank rate, and that this further assistance was widely known to be in reserve and immediately available has, I am assured, materially strengthened their hands in dealing with the crisis. I claim therefore that, as a means of buttressing public confidence, this loan-policy has been a success, even though the conditions of the market have been such as to render actual loans unnecessary.

87. Here perhaps I may emphasise the fact that, as things are at present, it is impossible for the Government to assist banking institutions otherwise than through the Presidency Banks. Government officers are not banking experts, nor have they the local knowledge which is necessary to enable them to judge whether or not a particular bank is being conducted on sound lines and is therefore a legitimate object of assistance. The Government's resources are, moreover, limited, and if we once began to deal direct with particular private banks, not only would it be impossible to draw a line between those institutions with which we can, and those with which we cannot, safely place our money, but the funds at our disposal would be rapidly dissipated. Our policy therefore has been that a banking institution which desires assistance must apply to the banker's bank, that is to say, to the Presidency Bank; while we, on the other hand, have done all we can to ensure that the latter shall be in a position to give the requisite assistance if it considers it necessary and reasonably safe. Our confidence in the Presidency Banks has not been misplaced, and I am only voicing general commercial opinion when I express

our gratitude to the authorities of those banks for the calmness and public spirit with which they have met the situation.

88. In view of the recent revival of the old question of a State Bank, it will not be without interest to consider how far the existence of such a bank might have affected the situation which I have just described. On the one side it may be argued that, by their present dissociation from any direct concern in or control of banking enterprises, the Government have been saved from some rather embarrassing demands. As I have said, by our present relation with the Presidency Banks, we have been enabled to ensure that assistance is given at the right time and in the right place, and that the resources available for giving that assistance are not dissipated in fruitless endeavours to bolster up unsound concerns; but with an institution known as a "State" Bank, the very name of which would popularly be held to connote State responsibility, it may be urged that Government would have been expected to intervene as *deus ex machinâ*, and that its assistance, when given, would almost of necessity have been far less discriminating. On the other hand, the advocates of a "State," or, as I should prefer to call it a "Central," Bank will no doubt find much in recent events to justify their views. *Primâ facie*, it may well be urged that, in such a crisis as that through which we have been passing, there ought to be a centralised and comprehensive handling of the whole situation, and a unification of resources with a view to their being applied wherever they are most needed at any moment, as opposed to the existing system under which each Presidency Bank's sphere of operations is confined to the particular territory with which it deals, while its power of giving assistance is materially circumscribed by the restrictions of the present law. The question of a Central Bank will have to be considered by the Government of India with reference to the Report of the Royal Commission on Indian finance, and for the present I am bound to keep an absolutely open mind thereon. The observations I have made above must not therefore be taken as implying any bias one way or the other, but merely as indicating that when the question comes up for settlement the bearing upon it of our recent experiences cannot be disregarded.

89. The progress of local co-operative credit associations affords a pleasing contrast to the set-back in banking development. The number of co-operative societies during the last year for which statistics are available, has increased by 4,147, or over 50 per cent, and their aggregate capital by nearly two crores. Taking a retrospect of five years, we find that there were in 1908-09, 2,008, societies with a capital of 80 lakhs, as against 12,324 societies in 1912-13 with 5,34 lakhs. The progress in this respect has been most marked in the Punjab, but has also been very remarkable in other provinces. One great advantage of these societies is that in times of distress they provide a very useful assistance in the distribution of *takavi* loans, since these can be disbursed more freely and confidently when the persons taking the loans are the members of such an association. Another very welcome sign of progress is the fact that co-operation seems now on the point of extending beyond the mere facilitation of loans of needful capital to the individual agriculturist, and to be about to take a further advance in the direction of common action in regard to implements necessary for production, and eventually in the direction of concerted disposal of produce.

Changes in Financial organization.

90. Lastly, there are some interesting questions of financial organization which I should like briefly to notice. In the first place, we have already made an important change in the functions of our Comptroller and Auditor General, and certain further changes are impending. This officer has hitherto been not merely our chief officer of audit and account, but has had to deal with a number of questions of financial administration, as, for example, the requirements of coinage, the management of the paper currency system, the movement of funds from one place to another, and resource and ways and means operations generally. These multifarious duties had developed to a point when they could no longer be adequately performed by a single officer, while an arrangement which imposed executive duties of an entirely extraneous nature upon the principal officer of audit could not be regarded as thoroughly satisfactory from the audit point of view. On the other hand, from the point of view of finance, the Government of India felt it very desirable to have the assistance of an expert in currency and financial questions who would be in close touch with the commercial community and trade movements and could devote his whole time to the study of such

matters. It was decided therefore to allot the Comptroller General's miscellaneous duties to a whole-time officer designated Controller of Currency, and this appointment was created on the 1st January last. The exact functions and position of the Auditor General remain to be finally settled, but it has already been decided that his status and pay will be materially raised, that he will be appointed by the Governor General subject to the approval of the Secretary of State, that he will not be removable whether by way of promotion or otherwise except with the Secretary of State's sanction, and that his annual appropriation reports on the expenditure of India will in future be addressed directly to the Secretary of State and considered by him. These are very important changes and will, I trust, broaden as well as strengthen the conception of audit throughout the whole personnel of the Department.

91. A change was also made, on the 1st October last, in the organization of the Branch of the Finance Department which deals with military finance, with a view to facilitating certain minor adjustments of procedure in army administration, the Joint Secretaryship for Military Finance being converted into a Financial Adviser-ship on the same status and pay, and corresponding changes being made in the designations of the junior appointments. The change did not materially affect the general arrangements for dealing with financial questions in which the Army is interested, and there has been no loosening of financial control.

Conclusion.

92. I should like finally to express to the Council my great obligation, both in regard to the preparation of this Budget and in my daily work since I assumed office, to my most zealous, loyal and able co-adjutor, the Honourable Mr. Brunyate. I am also greatly indebted to the officers of the Department as a whole for loyal and efficient co-operation. I wish to make special mention of two of these as they are about to leave their present posts. Mr. Ashmore, the Deputy Financial Adviser in the Military Finance Branch, is going to take a long and well earned leave. His intimate knowledge of army matters, combined with great ability and ceaseless industry, has been of the utmost advantage to the Finance Department in dealing with questions connected with the army; and I may say, too, that he has also been most helpful to the Army Department and the branches of Army Head-quarters. Within a few months, too, Colonel Marlow, the Military Accountant General, will be retiring from the service, after having held that post with the utmost credit for seven years, his useful work having lately been crowned by a scheme of reorganisation that will, we hope, materially reduce the expenditure on the Military Accounts establishments, while it will bring these into closer and more effective contact with the executive branches of the army. I am sure that the good wishes of the Council will accompany Colonel Marlow in the leisure he has so well deserved.

I should like to say also that the recent visit to this country of Mr. Lionel Abrahams, the Assistant Under Secretary of State for India, has been of the utmost assistance in clearing up a variety of railway questions having a financial aspect, and of strictly financial matters, in regard to which we might otherwise have had much correspondence with the India Office. As a member of the Government with whom Mr. Abrahams has necessarily come very much into contact, I take this opportunity of publicly expressing my sense of the great utility of his visit.

93. With these remarks I conclude. My statement has been somewhat longer than has been usual of late years. But the circumstances of this year are peculiar, and I felt it desirable, at the outset of my term of office, to take the Council into full confidence in regard to our capital expenditure and other matters of financial policy outside the Budget proper.

W. S. MEYER.

Delhi, March 2nd, 1914.

FINANCIAL STATEMENT

OF THE

GOVERNMENT OF INDIA

MARCH 1914

ACCOUNTS	1912-1913
REVISED ESTIMATES	1913-1914
BUDGET ESTIMATES	1914-1915

CONTENTS.

	PAGES
I.—GENERAL STATEMENT of the REVENUE, and EXPENDITURE charged to REVENUE, of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	34—35
II.—GENERAL STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	36—37
A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND	38—39
B.—STATEMENT of the EXPENDITURE charged to the REVENUES of INDIA, in INDIA and in ENGLAND	40—43
C.—STATEMENT of RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	44—47
D.—ACCOUNTS of PROVINCIAL SAVINGS charged to REVENUE, and held at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL SETTLEMENTS	48
E.—ABSTRACT STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND	49

I.—General Statement of the Revenue, and Expenditure charged to

	For details *vide* Statement.	Accounts, 1912-1913.	Budget Estimate, 1913-1914.	Revised Estimate, 1913-1914.	Budget Estimate, 1914-1915.
Revenue—					
Principal Heads of Revenue—		£	£	£	£
Land Revenue	A	21,282,468	21,373,200	21,096,700	21,708,800
Opium	„	5,124,592	1,445,000	1,605,600	1,751,100
Salt	„	3,334,374	3,405,300	3,419,700	3,436,900
Stamps	„	5,069,115	5,218,200	5,237,500	5,371,600
Excise	„	8,277,919	8,452,900	8,906,700	9,148,500
Customs	„	7,197,243	6,862,800	7,355,100	7,236,800
Other Heads	„	5,553,119	4,925,800	5,437,400	5,337,300
TOTAL PRINCIPAL HEADS	...	55,838,830	51,683,200	53,058,700	53,991,000
Interest	A	1,473,708	1,287,300	1,377,300	1,376,000
Post Office	„	2,262,436	2,360,800	2,400,800	2,552,100
Telegraph	„	1,174,124	1,191,800	1,178,300	1,180,300
Mint	„	487,359	240,600	404,500	249,800
Receipts by Civil Departments	„	1,334,847	1,296,300	1,394,100	1,437,300
Miscellaneous	„	765,207	589,200	715,700	731,700
Railways: Net Receipts	„	17,371,789	17,623,500	17,519,400	17,329,700
Irrigation	„	4,411,217	4,403,900	4,553,100	4,559,300
Other Public Works	„	355,447	286,900	279,900	239,400
Military Receipts	„	1,387,634	1,361,000	1,379,800	1,386,100
TOTAL REVENUE	...	86,862,598	82,324,500	84,261,600	85,032,700

DELHI,
FINANCE DEPARTMENT,
March 2, 1914.

C. W. C. CARSON,
Offg. Deputy Comptroller General.

Revenue, of the Government of India, in India, and in England.

	For details, *vide* Statement.	Accounts, 1912-1913.	Budget Estimate, 1913-1914.	Revised Estimate, 1913-1914.	Budget Estimate, 1914-1915.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	8,653,304	9,469,700	9,354,500	9,341,000
Interest	„	1,810,535	1,310,000	1,554,000	1,607,800
Post Office	„	2,026,567	2,057,200	2,109,200	2,082,000
Telegraph	„	1,105,946	1,231,000	1,182,700	1,268,000
Mint	„	142,343	103,700	136,500	104,300
Salaries and Expenses of Civil Departments	„	16,688,755	19,424,100	18,047,800	19,778,400
Miscellaneous Civil Charges	„	4,926,232	5,087,000	5,418,800	5,397,700
Famine Relief and Insurance	„	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	„	12,568,435	13,071,200	12,869,900	13,409,000
Irrigation	„	3,301,928	3,564,600	3,553,400	3,631,400
Other Public Works	„	6,063,769	6,584,500	7,048,800	7,456,500
Military Services	„	20,953,100	21,007,800	21,399,200	21,886,100
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	...	79,240,914	83,910,800	83,674,800	86,962,200
Add—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.	End of B	4,514,050	...	63,900	...
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	...	*2,912,600*	*805,000*	*3,209,300*
TOTAL EXPENDITURE CHARGED TO REVENUE	...	83,754,964	80,998,200	82,933,700	83,752,900
SURPLUS	...	3,107,634	1,326,300	1,327,900	1,279,800
TOTAL	...	86,862,598	82,324,500	84,261,600	85,032,700

M. F. GAUNTLETT,
Comptroller General.

J. B. BRUNYATE,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts. Accounts, 1912-1913.	Budget Estimate, 1913-1914.	Revised Estimate, 1913-1914.	Budget Estimate, 1914-1915.
		£	£	£	£
Surplus	C	3,107,634	1,326,300	1,327,900	1,279,800
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised through Companies towards outlay on State Railways	„	13,333	...	32,000	816,600
Capital contributed by Native States towards construction of State Railways	„	...	...	200,000	66,700
Capital raised and deposited by Railway Companies (net)	„	564,746	3,160,900	4,483,300	1,128,100
Debt, Deposits, and Advances—					
Permanent Debt (net incurred)	C	2,937,639	131,500	121,600	7,274,600
Unfunded Debt (net incurred)	„	1,686,130	1,501,400	2,255,000	1,772,100
Deposits and Advances (net)	„	5,431,734	...	...	...
Loans and Advances by Imperial Government (net Repayments)	„	140,988	13,100	54,200	...
Loans and Advances by Provincial Governments (net Repayments)	„	...	...	...	62,200
Loans to Local Boards for Railway Construction	„	6,848	7,100	7,100	7,400
Secretary of State's Bills drawn	„	25,759,706	21,650,000	28,100,000	20,000,000
TOTAL RECEIPTS	...	39,648,758	27,790,300	36,581,100	32,407,500
Opening Balance—India	...	12,279,689	19,543,889	19,293,131	14,990,631
England	...	19,463,723 (a)	9,377,923 (a)	9,789,634 (a)	6,456,034 (a)
TOTAL	...	71,392,170	56,712,112	65,663,865	53,854,165

(a) Include balances of the Gold Standard Reserve as shown

C. W. C. CARSON,
Offg. Deputy Comptroller General.

DELHI,
FINANCE DEPARTMENT;
March 2, 1914.

Government of India, in India and in England.

	For details, *vide* Statement.	Disbursements. Accounts, 1912-1913.	Budget Estimate, 1913-1914.	Revised Estimate, 1913-1914.	Budget Estimate, 1914-1915.
		£	£	£	£
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	C	1,408,329	1,466,700	1,330,100	1,200,000
Outlay on State Railways	„	8,812,895	10,113,400	10,282,900	10,472,700
Initial outlay on new Capital at Delhi	„	114,894	1,333,300	505,000	666,700
Outlay of Railway Companies (net)	„	1,142,327	2,048,300	2,057,600	1,865,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	11,478,445	14,961,700	14,175,600	14,205,000
Debt, Deposits and Advances—					
Temporary Debt (net Discharged)	C	4,500,000	...	...	...
Deposits and Advances (net)	„	...	2,248,700	608,300	2,587,300
Loans and Advances by Imperial Government (net Advances)	„	...	...	...	238,700
Loans and Advances by Provincial Governments (net Advances)	„	219,419	125,900	665,800	...
Remittances (net)	...	127,992	68,100	676,500	6,200
Secretary of State's Bills paid	„	25,983,549	21,650,000	28,091,000	20,000,000
TOTAL DISBURSEMENTS	...	42,309,405	39,054,100	44,217,200	37,037,200
Closing Balance—India	...	19,293,131	12,546,689	14,990,631	12,700,731
England	...	(a) 9,789,634	(a) 5,111,023	(a) 6,456,034	(a) 4,116,234
TOTAL	...	71,392,170	56,712,112	65,663,865	53,854,165

(a) See the notes on pages 356 and 357.

M. F. GAUNTLETT,
Comptroller General.

J. B. BRUNYATE,
Secretary to the Government of India.

A.—Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1912-1913.					REVISED
	INDIA. (RUPEE FIGURES.)		Total India (converted into £ at R15=£1).	England.	TOTAL.	INDIA. (RUPEE FIGURES).	
	Imperial.	Provincial.				Imperial.	Provincial.
Principal Heads of Revenue—	R	R	£	£	£	R	R
I.—Land Revenue	7,40,67,488	24,51,6 ,527	21,282,468	...	21,282,468	11,55,60,000	20,08,91,000
II.—Opium	7,68, 8,873	...	5,124,592	...	5,124,592	2,40,84,000	...
III.—Salt	5,00,15,605	...	3,334,374	...	3,334,374	5,12,95,000	...
IV.—Stamps	3,86,40,447	3,73,9 ,279	5,069,115	...	5,069,115	4,00,43,000	3,85,20,000
V.—Excise	3,49,84,323	8,91,84,464	8,277,919	...	8,277,919	3,77,26,000	9,58,75,000
VI.—Provincial Rates	16,423	82,65,806	552,149	...	552,149	6,000	26,86,000
VII.—Customs	10,79,58,430	...	7,197,229	14	7,197,243	11,03,26,000	...
VIII.—Assessed Taxes	1,44,16,283	1,17,19,680	1,742,397	...	1,742,397	1,57,56,000	1,29,54,000
IX.—Forest	10,45,963	3,12,49,168	2,153,009	...	2,153,009	11,43,000	3,19,62,000
X.—Registration	80,972	71,49,365	482,022	...	482,022	94,000	75,40,000
XI.—Tributes from Native States	93,53,137	...	623,542	...	623,542	94,20,000	...
TOTAL	40,74,47,944	43,01,34,289	55,838,816	14	55,838,830	40,54,53,000	39,04,28,000
XII.—Interest	1,08,44,464	42,48,174	1,006,176	467,532	1,473,708	1,14,40,000	45,13,000
XIII.—Post Office	3,39,36,539	...	2,262,436	...	2,262,436	3,60,11,000	...
XIV.—Telegraph	1,75,18,562	...	1,167,904	6,220	1,174,124	1,76,03,000	...
XV.—Mint	73,10,375	...	487,359	...	487,359	60,67,000	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	2,23,783	50,56,982	352,051	...	352,051	2,81,000	53,17,000
XVI.—Law and Justice { Jails	3,88,031	36,62,906	270,062	...	270,062	4,44,000	39,51,000
XVII.—Police	66,973	19,66,319	135,553	...	135,553	75,000	18,56,000
XVIII.—Ports and Pilotage	...	23,51,184	156,746	...	156,746	...	22,57,000
XIX.—Education	52,09o	33,39,788	226,126	...	226,126	84,000	35,76,000
XX.—Medical	7,847	12,18,136	81,732	773	82,505	8,000	11,43,000
XXI.—Scientific and other minor departments	3,00,868	13,64,784	111,043	761	111,804	2,47,000	16,48,000
TOTAL	10,39,597	1,89,60,099	1,333,313	1,534	1,334,847	11,39,000	1,97,48,000
Miscellaneous—							
XXII.—Receipts in aid of Superannuation	12,76,924	8,03,790	138,714	61,672	200,386	12,88,000	8,17,000
XXIII.—Stationery and Printing	5,93,605	7,87,562	92,078	...	92,078	6,31,000	7,39,000
XXIV.—Exchange	15,13,188	...	100,879	...	100,879	17,08,000	...
XXV.—Miscellaneous	15,33,192	33,63,412	326,440	45,424	371,864	16,70,000	27,32,000
TOTAL	49,16,909	49,54,764	658,111	107,096	765,207	52,97,000	42,88,000
Railways—							
XXVI.—State Railways (Gross Receipts)	55,01,68,551	1,22,589	36,683,076	288	36,686,364	55,68,85,000	1,15,000
Deduct :—Working Expenses	*28,01,46,757*	*84,546*	*18,682,087*	...	*18,682,087*	*28,90,62,000*	*91,000*
Surplus profits paid to Companies, etc.	*1,06,44,626*	...	*709,642*	...	*709,642*	*64,80,000*	...
Net Receipts	25,93,77,168	38,043	17,294,347	288	17,294,635	26,13,43,000	24,000
XXVII.—Guaranteed Railways	59,707	...	3,980	...	3,980	...	...
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	2,35,088	...	15,673	57,501	73,174	2,70,000	...
TOTAL	25,96,71,963	38,043	17,314,000	57,789	17,371,789	26,16,13,000	24,000
Irrigation—							
XXIX.—Major Works: Direct Receipts	1,66,58,359	2,24,53,820	2,607,478	...	2,607,478	1,68,27,000	2,35,13,000
Portion of Land Revenue due to Irrigation	1,25,21,080	1,05,52,587	1,538,245	...	1,538,245	1,30,18,000	1,10,22,000
XXX.—Minor Works and Navigation	14,49,987	25,32,416	265,494	...	265,494	14,65,000	24,52,000
TOTAL	3,06,29,426	3,55,38,823	4,411,217	...	4,411,217	3,13,10,000	3,69,87,000
Other Public Works—							
XXXI.—Civil Works	6,94,876	46,36,834	355,447	...	355,447	5,39,000	36,59,000
Military Receipts—							
XXXII.—Army: Effective	1,20,99,693	...	806,646	300,598	1,107,244	1,15,91,000	...
Non-Effective	12,60,924	...	84,062	36,497	120,559	13,05,000	...
	1,33,60,617	...	890,708	337,095	1,227,803	1,28,96,000	...
XXXIII.—Marine	13,15,039	...	87,669	...	87,669	12,65,000	...
XXXIV.—Military Works	10,82,428	...	72,162	...	72,162	11,50,000	...
TOTAL	1,57,58,084	...	1,050,539	337,095	1,387,634	1,53,11,000	...
TOTAL REVENUE	78,97,68,739	49,85,11,026	85,585,318	977,280	86,862,598	79,17,83,000	45,96,47,000

India, in India and in England.

ESTIMATE, 1913-1914.			Increase + Decrease − as compared with Budget Estimate, 1913-14.	BUDGET ESTIMATE, 1914-15.					Increase + Decrease − of Budget, 1914-1915, as compared with Budget Estimate, 1913-1914.	Increase + Decrease − of Budget, 1914-1915, as compared with Revised Estimate, 1913-1914.
				India. (Rupee Figures.)		Total India (converted into £ at R15 = £1).	England.	Total.		
Total India (converted into £ at R15 = £1).	England.	Total.		Imperial.	Provincial.					
£	£	£	£	R	R	£	£	£	£	£
21,096,700	...	21,096,700	−276,500	12,49,10,000	20,07,22,000	21,708,800	...	21,708,800	+335,600	+612,100
1,605,600	...	1,605,600	+160,600	2,62,66,000	...	1,751,100	...	1,751,100	+305,100	+145,500
3,419,700	...	3,419,700	+14,400	5,15,53,000	...	3,436,900	...	3,436,900	+31,600	+17,200
5,237,500	...	5,237,500	+19,300	4,10,61,000	3,95,13,000	5,371,600	...	5,371,600	+153,400	+134,100
8,906,700	...	8,906,700	+453,800	3,90,60,000	9,81,68,000	9,148,500	...	9,148,500	+695,600	+241,800
179,500	...	179,500	+150,800	4,000	4,50,000	30,300	...	30,300	+1,600	−149,200
7,355,100	...	7,355,100	+492,300	10,85,52,000	...	7,236,800	...	7,236,800	+374,000	−118,300
1,914,000	...	1,914,000	+155,800	1,55,33,000	1,26,73,000	1,880,400	...	1,880,400	+122,200	−33,600
2,207,000	...	2,207,000	+177,200	11,02,000	3,33,09,000	2,294,000	...	2,294,000	+264,200	+87,000
508,900	...	508,900	+17,000	96,000	77,54,000	523,300	...	523,300	+31,400	+14,400
628,000	...	628,000	+10,800	91,39,000	...	609,300	...	609,300	−7,900	−18,700
53,058,700	...	53,058,700	+1,375,500	41,72,76,000	39,2 ,89,000	53,991,000	...	53,991,000	+2,307,800	+932,300
1,063,600	313,700	1,377,300	+90,000	1,16,36,000	47,18,000	1,090,300	285,700	1,376,000	+88,700	−1,300
2,400,800	...	2,400,800	+40,000	3,82,82,000	...	2,552,100	...	2,552,100	+191,300	+151,300
1,173,500	4,800	1,178,300	−13,500	1,76,30,000	...	1,175,300	5,000	1,180,300	−11,500	+2,000
404,500	...	404,500	+163,900	37,46,000	...	249,800	...	249,800	+9,200	−154,700
373,200	...	373,200	+33,700	5,88,000	53,62,000	396,700	...	396,700	+57,200	+23,500
293,000	...	293,000	+42,000	4,45,000	38,61,000	287,100	...	287,100	+36,100	−5,900
128,800	...	128,800	+4,800	74,000	18,33,000	127,100	...	127,100	+3,100	−1,700
150,500	...	150,500	−9,400	...	23,58,000	157,200	...	157,200	−2,700	+6,700
244,000	...	244,000	+13,300	92,000	37,49,000	256,100	...	256,100	+25,400	+12,100
76,700	700	77,400	+3,800	9,000	11,57,000	77,700	700	78,400	+4,800	+1,000
126,300	900	127,200	+9,600	2,71,000	17,36,000	133,800	900	134,700	+17,100	+7,500
1,392,500	1,600	1,394,100	+97,800	14,79,000	2,00,56,000	1,435,700	1,600	1,437,300	+141,000	+43,200
140,300	62,600	202,900	−3,800	13,09,000	8,78,000	145,800	58,800	204,600	−2,100	+1,700
91,300	...	91,300	−3,000	6,45,000	7,05,000	90,000	...	90,000	−4,300	−1,300
113,900	...	113,900	+80,600	10,00,000	...	66,700	...	66,700	+33,400	−47,200
293,500	14,100	307,600	+52,700	28,43,000	25,18,000	357,400	13,000	370,400	+115,500	+62,800
639,000	76,700	715,700	+126,500	57,97,000	41,01,000	659,900	71,800	731,700	+142,500	+16,000
37,133,300	200	37,133,500	+380,000	56,58,85,000	1,15,000	37,733,300	400	37,733,700	+980,200	+600,200
19,276,900	...	*19,276,900*	−460,300	*29,73,09,000*	*91,000*	*19,826,700*	...	*19,826,700*	−1,010,100	−549,800
432,000	...	*432,000*	−34,000	*96,26,000*	...	*641,700*	...	*641,700*	−243,700	−209,700
17,424,400	200	17,424,600	−114,300	25,89,50,000	24,000	17,264,900	400	17,265,300	−273,600	−159,300
...	...	...	...	...	...	...	...	...	...	...
18,000	76,800	94,800	+10,200	2,55,000	...	17,000	47,400	64,400	−20,200	−30,400
17,442,400	77,000	17,519,400	−104,100	25,92,05,000	24,000	17,281,900	47,800	17,329,700	−293,800	−189,700
2,689,300	...	2,689,300	+69,800	1,66,84,000	2,32,41,000	2,661,700	...	2,661,700	+42,200	−27,600
1,602,700	...	1,602,700	+73,000	1,31,76,000	1,11,45,000	1,621,400	...	1,621,400	+91,700	+18,700
261,100	...	261,100	+6,400	14,88,000	26,56,000	276,200	...	276,200	+21,500	+15,100
4,553,100	...	4,553,100	+149,200	3,13,48,000	3,70,42,000	4,559,300	...	4,559,300	+155,400	+6,200
279,900	...	279,900	−7,000	5,40,000	30,51,000	239,400	...	239,400	−47,500	−40,500
772,700	322,100	1,094,800	+32,600	1,16,39,000	...	775,900	313,600	1,089,500	+27,300	−5,300
87,000	37,000	124,000	−500	12,72,000	...	84,800	38,000	122,800	−1,700	−1,200
859,700	359,100	1,218,800	+32,100	1,29,11,000	...	860,700	351,600	1,212,300	+25,600	−6,500
84,300	...	84,300	−14,000	14,07,000	...	93,800	...	93,800	−4,500	+9,500
76,700	...	76,700	+700	12,00,000	...	80,000	...	80,000	+4,000	+3,300
1,020,700	359,100	1,379,800	+18,800	1,55,18,000	...	1,034,500	351,600	1,386,100	+25,100	+6,300
83,428,700	832,900	84,261,600	+1,937,100	80,24,57,000	46,15,81,000	84,269,200	763,500	85,032,700	+2,708,200	+771,100

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1912-1913.					REVISED
	INDIA. (RUPEE FIGURES).		Total India (converted into £ at R 15=£1).	England.	TOTAL.	INDIA. (RUPEE FIGURES).	
	Imperial.	Provincial.				Imperial.	Provincial.
Direct Demands on the Revenues—	R	R	£	£	£	R	R
1.—Refunds and Drawbacks	34,17,837	14,54,083	324,795	...	324,795	34,53,000	15,88,000
2.—Assignments and Compensations	81,17,756	1,01,01,584	1,214,623	...	1,214,623	82,93,000	1,05,18,000
Charges in respect of Collection, *viz.*:							
3.—Land Revenue	40,40,200	5,39,54,354	3,866,304	1,725	3,868,029	47,44,000	5,49,84,000
4.—Opium (including cost of Production)	89,91,324	...	599,422	307	599,729	1,60,49,000	...
5.—Salt (including cost of Production)	56,00,032	...	373,335	673	374,008	55,18,000	...
6.—Stamps	−2,52,788	12,04,241	63,430	90,468	153,898	−1,59,000	12,18,000
7.—Excise	20,70,153	43,58,374	428,568	3	428,571	21,11,000	44,83,000
8.—Provincial Rates		72,877	4,859	...	4,859	...	...
9.—Customs	38,56,592	...	257,126	162	257,288	39,42,000	...
10.—Assessed Taxes	2,14,388	2,11,421	28,387	...	28,387	2,35,000	2,27,000
11.—Forest	10,05,515	1,62,01,503	1,147,134	5,451	1,152,585	11,45,000	1,64,21,000
12.—Registration	23,694	36,74,289	246,532	...	246,532	28,000	37,85,000
TOTAL	3,70,85,003	9,12,32,726	8,534,515	98,789	8,653,304	4,53,59,000	9,32,24,000
Interest—							
13.—Interest on Debt	3,68,24,141	1,29,77,546	3,320,112	6,203,996	9,524,108	3,78,70,000	1,31,30,000
Deduct—Amounts chargeable to Railways†	*4,93,46,705*	...	*3,289,780*	*3,782,768*	*7,072,548*	*5,21,77,000*	...
„ Amounts chargeable to Irrigation	*74,26,210*	*99,40,527*	*1,157,783*	*124,730*	*1,282,513*	*78,87,000*	*98,66,000*
Remainder chargeable on Ordinary Debt	−1,99,48,774	30,37,019	−1,127,451	2,296,498	1,169,047	−2,21,94,000	32,64,000
14.—Interest on other obligations	96,22,316	...	641,488	...	641,488	1,09,36,000	...
TOTAL	−1,03,26,458	30,37,019	−485,963	2,296,498	1,810,535	−1,12,58,000	32,64,000
15.—Post Office	2,95,79,320	...	1,971,955	54,612	2,026,567	3,08,04,000	...
16.—Telegraph	1,38,36,498	...	922,433	183,513	1,105,946	1,44,24,000	...
17.—Mint	20,33,407	...	135,560	6,783	142,343	18,63,000	...
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,05,75,182	1,28,68,106	1,562,886	381,196	1,944,082	1,06,80,000	1,32,10,000
19.—Law and Justice { Courts	10,46,389	4,37,83,123	2,988,634	1,668	2,990,302	11,25,000	4,50,41,000
19.—Law and Justice { Jails	18,45,255	1,12,48,072	872,889	799	873,688	19,98,000	1,28,12,000
20.—Police	30,64,847	6,67,85,809	4,656,644	1,356	4,658,000	36,20,000	6,93,50,000
21.—Ports and Pilotage	...	27,14,675	180,978	104	181,082	...	31,17,000
22.—Education	16,35,553	3,73,58,345	2,599,593	10,539	2,610,132	16,34,000	4,68,49,000
23.—Ecclesiastical	18,86,972	...	125,798	205	126,003	19,26,000	...
24.—Medical	26,16,711	1,71,33,599	1,316,687	10,531	1,327,218	19,92,000	1,85,45,000
25.—Political	1,26,8[illegible]044	22,83,076	998,075	7,848	1,005,923	1,33,80,000	36,98,000
26.—Scientific and other Minor Departments	58,68,418	83,34,854	946,885	25,440	972,325	57,66,000	89,00,000
TOTAL	4,12,26,371	20,25,09,659	16,249,069	439,686	16,688,755	4,21,21,000	22,15,22,000
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	31,25,384	...	208,359	11,050	219,409	31,92,000	...
28.—Civil Furlough and Absentee Allowances	18,405	...	1,227	410,957	412,184	19,000	...
29.—Superannuation Allowances and Pensions	13,85,648	1,68,57,608	1,216,217	2,068,102	3,284,319	17,64,000	1,84,65,000
30.—Stationery and Printing	12,21,309	75,95,610	587,795	91,747	679,542	13,38,000	76,84,000
32.—Miscellaneous	11,59,184	33,93,635	303,521	27,257	330,778	45,20,000	39,48,000
TOTAL	69,09,931	2,78,46,853	2,317,119	2,609,113	4,926,232	1,11,33,000	3,00,97,000
Famine Relief and Insurance—							
33.—Famine Relief	28,33,278	...	188,885	...	188,885	28,62,000	53,000
34.—Construction of Protective Railways	4,10,978	...	27,399	14,012	41,411	1,29,000	...
35.—Construction of Protective Irrigation Works	62,67,484	...	419,166	7,335	426,501	70,94,000	...
36.—Reduction or Avoidance of Debt	13,98,053	37,50,000	343,203	...	343,203	8,35,000	37,50,000
TOTAL	1,09,29,793	37,50,000	978,653	21,347	1,000,000	1,09,20,000	38,03,000
Carried over	13,12,73,865	32,83,76,257	30,643,341	5,710,341	36,353,682	14,53,66,000	35,19,10,000

	ACCOUNTS, 1912-1913.				REVISED ESTIMATE, 1913-1914.			
	INDIA.		England.	TOTAL.	INDIA.		England.	TOTAL.
	Amount in Rupees.	Equivalent in £ at R15=£1.			Amount in Rupees.	Equivalent in £ at R15=£1.		
†Included under the following heads:—	R	£	£	£	R	£	£	£
State Railways—Interest on Debt	4,61,38,446	3,075,896	3,607,268	6,683,164	4,87,11,000	3,247,400	3,531,400	6,778,800
Ditto —Interest chargeable against Companies on Advances	32,08,259	213,884	175,500	389,384	34,66,000	231,100	175,500	406,600
TOTAL	4,93,46,705	3,289,780	3,782,768	7,072,548	5,21,77,000	3,478,500	3,706,900	7,185,400

Revenues of India, in India and in England.

ESTIMATE, 1913-1914.			Increase + Decrease − as compared with Budget Estimate, 1913-1914	BUDGET ESTIMATE, 1914-1915.					Increase + Decrease − of Budget, 1914-1915, as compared with Budget Estimate, 1913-1914.	Increase + Decrease − of Budget, 1914-1915, as compared with Revised Estimate, 1913-1914.
				INDIA. (RUPEE FIGURES).						
Total India (converted into £ at R15 = £1).	England.	TOTAL.		Imperial	Provincial.	Total India (converted into £ at R15 = £1).	England	TOTAL.		
£	£	£	£	R	R	£	£	£	£	£
336,100	...	336,100	+34,600	32,55,000	13,89,000	309,600	...	309,600	+8,100	−26,500
1,254,100	...	1,254,100	+17,800	81,91,000	1,03,78,000	1,23[illegible],100	...	1,238,100	+1,800	−16,000
3,981,900	2,100	3,984,000	−42,200	51,14,000	5,76,15,000	4,181,900	1,300	4,183,200	+157,000	+199 200
1,069,900	600	1,070,500	−64 900	98,69,000	...	657,900	500	658,400	−477,000	−412,100
367,800	700	368,500	−10,100	58,56,000	...	390,400	900	391,300	+12,700	+22,800
70,600	106,600	177,200	+13,500	−1,93,000	12,56,000	70,900	80,700	151,600	−12,100	−25,600
439,600	200	439,800	−12,500	22,52,000	50,45,000	486,500	...	486,500	+34,200	+46,700
...	...	...	...	...	...	...	...	...	...	...
262,800	500	263,300	−3,700	40,98,000	...	273,200	300	273,500	+6,500	+10,200
30,800	...	30,8 0	−600	2,47,000	2,41,000	32,500	...	32,500	+1,100	+1,700
1,171,100	4,900	1,176,000	−48,[illegible]00	12,29,000	1,89,17,0 0	1,343,100	5,200	1,348,300	+123,700	+172,300
254,200	...	254,200	+1,500	31,00	39,89,000	268,000	...	268,000	+15,300	+13,800
9,238,900	115,600	9,354,500	−115,200	3,99,53,000	9,88,30,000	9,252,100	88,900	9,341,000	−128,700	−13,500
3,400,000	5,912,700	9,312,700	−33,400	4,02,08,000	1,35,92,000	3,586,700	5,988,700	9,575,400	+229,300	+262,700
3,478,500	*3,706,900*	*7,185,400*	+201,800	*5,62,26,000*	...	*3,748,400*	*3,642,800*	*7,391,200*	−4,000	−205,800
1,183,500	*118,900*	*1,302,400*	+57,400	*84,87,000*	*1,01,71,000*	*1,243,900*	*120,900*	*1,364,800*	−5,000	−62,400
−1,262,000	2,086,900	824,900	+225,800	−2,45,05,000	34,21,000	−1,405,600	2,225,000	819,400	+220,300	−5,500
729,100	...	729,100	+18,200	1,18,26,000	...	788,400	...	788,400	+77,500	+59,300
−532,900	2,086,900	1,554,000	+244,000	−1,26,79,000	34,21,000	−617,200	2,225,000	1,6[illegible]7,800	+297,800	+53,800
2,053,600	55,600	2,109,200	+52,000	3,07,50,000	...	2,050,000	32,000	2,082,000	+24,800	−27,200
961,600	221,100	1,182,700	−48,300	1,52,94,000	...	1,019,600	248,400	1,268,000	+37,000	+85,300
124,200	12,300	136,500	+32,800	14,53,000	...	96,900	7,400	104,300	+600	−32,200
1,592,700	392,200	1,984,900	+46,000	1,08,96,000	1,30,58,000	1,596,900	404,300	2,001,200	+62,300	+16,300
3,077,700	700	3,078,400	+47,000	11,[illegible]0,000	4,58,31,000	3,132,700	1,000	3,133,700	+104,300	+55,300
987,300	200	[illegible]87,500	+92,400	19,97,000	1,22,76,000	951,500	200	951,700	+56,600	−35,800
4,864,700	1,500	4,866,200	73,400	39,85,000	7,40,44,000	5,201,900	1,300	5,203,200	+263,600	+337,000
207,800	200	208,000	+9,000	...	32,97,000	219,800	100	219,900	+20,900	+11,900
3,232,200	10,000	3,242,200	−835,700	23,03,000	5,75,41,000	3,989,900	10,000	3,999,900	−78,000	+757,700
128,400	400	128,800	−400	20,18,000	...	134,600	300	134,900	+5,700	+6,100
1,369,100	9,200	1,378,300	−642,500	25,97,000	2,55,09,000	1,873,700	11,300	1,885,000	−135,800	+506,700
1,138,500	22,600	1,161,100	+82,100	1,35,08,000	33,28,000	1,129,100	15,100	1,144,200	+65,200	−16,900
977 800	34,600	1,012,400	−100,800	63,18,000	96,38,000	1,063,800	40,900	1,104,700	−8,500	+92,300
17,576,200	471,600	18,047,800	−1,376,300	4,48,87,000	24,45,22,000	19,293,900	484,500	19,778,400	+354,300	+1,730,600
212,800	11,200	224,000	−3,000	31,73,000	...	211,600	10,[illegible]00	222,200	−4,800	−1,800
1,300	448,000	449,300	+44,500	20,000	...	1,300	432,000	433,300	+23,500	−16,000
1,348,600	2,054,000	3,102,600	+71,500	17,49,000	1,91,10,000	1,390,600	2,059,000	3,449,600	+113,500	+47,000
621,500	112,400	733,900	+55,200	12,33,000	81,56,000	625,900	93,800	719,700	+41,000	−14,200
564,500	44,500	609,000	+163,600	17,59,000	59,23,000	512,200	60,[illegible]00	572,900	+127,500	−36,100
2,748,700	2,670,100	5,418,800	+331,800	79,34,000	3,31,89,000	2,741,[illegible]00	2,656,100	5,397,700	+810,700	−21,100
194,300	...	194,300	+147,700	29,53,000	15,25 000	298,500	...	298,500	+251,900	+104,200
8,600	800	9,400	+800	2,000	...	100	...	100	−8,500	−9,300
472,900	17,700	490,600	−800	69,63,000	...	461,200	35,700	499,900	+8,500	+9,300
305,700	...	305,700	−147,700	1,10,000	29,12,000	201,500	...	201,500	−251,900	−104,200
981,500	18,500	1,000,000	...	1,00,28,000	44,37,000	964,300	35,700	1,000,000	...	...
33,151,800	5,651,700	38,803,500	−879,200	13,76,19,000	38,43,99,000	34,801,200	5,778,000	40,579,200	+896,500	+1,775,700

BUDGET ESTIMATE, 1914-1915.			
INDIA.		England.	TOTAL.
Amount in Rupees.	Equivalent in £ at R15 = £1.		
R	£	£	£
5,22,88,000	3,485,900	3,561,600	7,047,500
39,38,000	262,500	81,200	343,700
5,62,26,000	3,748,400	3,642,800	7,391,200

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1912-1913. India. (Rupee Figures.) Imperial.	India. (Rupee Figures.) Provincial.	Total India (converted into £ at R15=£1).	England.	Total.	REVISED India. (Rupee Figures.) Imperial.	Provincial.
	R	R	£	£	£	R	R
Brought forward	13,12,73,865	32,83,76,257	30,643,341	5,710,341	36,353,682	14,53,66,000	35,19,10,000
Railways—							
38.—State Railways: Interest on Debt	4,61,38,446	...	3,075,896	3,607,268	6,683,164	4,87,11,000	...
Annuities in purchase of Railways	...	...	...	3,357,672	3,357,672	...	...
Sinking Funds	...	...	...	184,437	184,437	...	...
Interest chargeable against Companies on Advances	32,08,259	...	213,884	175,500	389,384	34,66,000	...
Interest on Capital deposited by Companies	29,85,609	...	199,041	1,655,021	1,854,062	37,66,000	...
40.—Subsidized Companies: Land, etc.	4,91,071	14,031	33,674	...	33,674	12,00,000	36,000
41.—Miscellaneous Railway Expenditure	9,86,632	3,999	66,042	...	66,042	8,57,000	3,000
Total	5,38,10,017	18,030	3,588,537	8,979,898	12,568,435	5,80,00,000	39,000
Irrigation—							
42.—Major Works: Working Expenses	79,29,362	95,97,229	1,168,439	1	1,168,440	84,30,000	1,00,34,000
Interest on Debt	74,26,210	99,40,527	1,157,783	124,730	1,282,513	78,87,000	98,66,000
42A.—Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	...	...	...	...	...	13,64,000	...
43.—Minor Works and Navigation	39,65,035	37,71,176	849,081	1,894	850,975	43,51,000	95,70,000
Total	1,93,20,607	2,33,08,932	3,175,303	126,625	3,301,928	2,20,32,000	2,94,70,000
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	...	63,984	4,266	...	4,266	...	37,000
45.—Civil Works	1,54,99,507	7,40,33,067	5,968,838	90,665	6,059,503	1,47,39,000	8,93,08,000
Total	1,54,99,507	7,40,97,051	5,973,104	90,665	6,063,769	1,47,39,000	8,93,45,000
Military Services—							
46.—Army: Effective	20,62,37,829	...	13,749,189	2,589,430	16,338,619	20,92,46,000	...
Non-Effective	1,07,43,291	...	716,219	2,521,688	3,237,907	1,09,77,000	...
	21,69,81,120	...	14,465,408	5,111,118	19,576,526	22,02,23,000	...
46A.—Marine	38,36,942	...	255,796	224,132	479,928	36,16,000	...
47.—Military Works	1,28,09,508	...	853,967	33,412	887,379	1,36,78,000	...
47A.—Special Defences (1902)	88,287	...	5,886	3,381	9,267	2,60,000	...
Total	23,37,15,857	...	15,581,057	5,372,043	20,953,100	23,77,17,000	...
Total Expenditure, Imperial and Provincial	45,36,19,853	43,08,00,270	58,961,342	20,279,572	79,240,914	47,78,54,000	47,07,64,000
Add—Portion of Allotments to Provincial Governments not spent by them in the year	...	6,77,10,756	4,514,050	...	4,514,050	...	9,59,000
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	...	...	...	...	...	...	*1,20,76,000*
Total Expenditure charged to Revenue	45,36,19,853	49,85,11,026	63,475,392	20,279,572	83,754,964	47,78,54,000	45,96,47,000

	ACCOUNTS, 1912-1913. India. Amount in Rupees.	India. Equivalent in £ at R15=£1.	England.	Total.
Capital Expenditure not charged to Revenue—	R	£	£	£
48.—State Railways	9,55,88,305	6,372,553	2,440,342	8,812,895
49.—Irrigation Works	2,06,67,176	1,377,811	30,518	1,408,329
Total	11,62,55,481	7,750,364	2,470,860	10,221,224
51.—Initial Expenditure on new Capital at Delhi	16,20,901	108,061	6,833	114,894

Revenue of India, in India and in England—*continued.*

ESTIMATE, 1913-1914				BUDGET ESTIMATE, 1914-1915.						
Total India (converted into £ at R15 = £1).	England.	Total.	Increase + Decrease − as compared with Budget Estimate, 1913-1914.	India. (Rupee Figures.) Imperial.	India. (Rupee Figures.) Provincial.	Total India (converted into £ at R15 = £1).	England.	Total.	Increase + Decrease − of Budget, 1914-1915, as compared with Budget Estimate, 1913-1914.	Increase + Decrease − of Budget, 1914-1915, as compared with Revised Estimate, 1913-1914.
£	£	£	£	R	R	£	£	£	£	£
33,151,800	5,651,700	38,803,500	−879,200	13,76,19,000	38,43,99,000	34,801,200	5,778,000	40,579,200	+896,500	+1,775,700
3,247,100	3,531,400	6,778,800	−191,100	5,22,88,000	...	3,485,900	3,561,600	7,047,500	+77,600	+268,700
...	3,379,700	3,379,700	+200	...	...	...	3,357,700	3,357,700	−21,800	−22,000
...	191,500	191,500	...	...	...	...	199,400	199,400	+7,900	+7,900
231,100	175,500	406,600	−10,700	39,38,000	...	262,500	81,200	343,700	−73,600	−62,900
251,100	1,722,500	1,973,600	+18,500	45,90,000	...	306,000	1,881,600	2,187,600	+232,500	+214,000
82,400	...	82,400	−24,900	29,00,000	15,000	194,300	...	194,300	+87,000	+111,900
57,300	...	57,300	+6,700	11,82,000	...	78,800	...	78,800	+28,200	+21,500
3,869,300	9,000,600	12,869,900	−201,300	6,48,98,000	15,000	4,327,500	9,081,500	13,409,000	+337,800	+539,100
1,230,900	...	1,230,900	+68,300	86,51,000	1,00,90,000	1,249,400	...	1,249,400	+86,800	+18,500
1,184,400	118,900	1,302,400	−57,400	84,87,000	1,01,71,000	1,243,900	120,900	1,364,800	+5,000	+62,400
90,900	...	90,900	−17,700	5,02,000	...	33,500	...	33,500	−75,100	−57,400
928,100	1,100	929,200	−4,400	49,37,000	98,19,000	983,700	...	983,700	+50,100	+54,500
3,433,400	120,000	3,553,400	−11,200	2,25,77,000	3,00,80,000	3,510,500	120,900	3,631,400	+66,800	+78,000
2,500	...	2,500	+400	...	29,000	1,900	...	1,900	−200	−600
6,936,400	109,900	7,046,300	+463,900	1,53,87,000	9,51,98,000	7,372,400	82,200	7,454,600	+872,200	+408,300
6,938,900	109,900	7,048,800	+464,300	1,53,87,000	9,52,27,000	7,374,300	82,200	7,456,500	+872,000	+407,700
13,949,700	2,727,800	16,677,500	+380,000	21,16,61,000	...	14,110,700	2,892,900	17,003,600	+706,100	+326,100
731,800	2,511,000	3,242,800	−15,600	1,10,03,000	...	733,500	2,532,000	3,265,500	+7,100	+22,700
14,681,500	5,238,800	19,920,300	+364,400	22,26,64,000	...	14,844,200	5,424,900	20,269,100	+713,200	+348,800
241,100	257,600	498,700	+20,400	35,22,000	...	234,800	287,100	521,900	+43,600	+23,200
911,900	44,000	955,900	+6,800	1,55,71,000	...	1,038,100	24,000	1,062,100	+113,000	+106,200
13,300	11,000	24,300	−200	2,67,000	...	17,800	15,200	33,000	+8,500	+8,700
15,847,800	5,551,400	21,399,200	+391,400	24,20,24,000	...	16,134,900	5,751,200	21,886,100	+878,300	+486,900
63,241,200	20,433,600	83,674,800	−236,000	48,25,05,000	50,97,21,000	66,148,400	20,813,800	86,962,200	+3,051,400	+3,287,400
63,900	...	63,900	+2,171,500	...	...	...	...	...	−296,700	−2,468,200
805,000	...	*805,000*		...	*4,81,40,000*	*3,209,300*	...	*3,209,300*		
62,500,100	20,433,600	82,933,700	+1,935,500	48,25,05,000	46,15,81,000	62,939,100	20,813,800	83,752,900	+2,754,700	+819,200

REVISED ESTIMATE, 1913-1914.				BUDGET ESTIMATE, 1914-1915.			
India.		England.	Total.	India		England.	Total.
Amount in Rupees.	Equivalent in £ at R15 = £1.			Amount in Rupees.	Equivalent in £ at R15 = £1.		
R	£	£	£	R	£	£	£
10,87,40,000	7,249,300	3,033,600	10,282,900	11,74,69,000	7,831,300	2,641,400	10,472,700
1,88,31,000	1,255,400	74,700	1,330,100	1,72,95,000	1,153,000	47,000	1,200,000
12,75,71,000	8,504,700	3,108,300	11,613,000	13,47,64,000	8,984,300	2,688,400	11,672,700
67,43,000	449,500	55,500	505,000	84,70,000	564,700	102,000	666,700

C.—Statement of Receipts and Disbursements of the

	Accounts, 1912-1913.			Revised Estimate, 1913-1914			Budget Estimate, 1914-1915.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue from Statement VI.	87,885,318	977,280	86,862,598	83,428,700	832,900	84,261,600	81,269,200	763,500	85,032,700
Excess of Revenue over Expenditure charged to Revenue			**3,107,634**			**1,327,900**			**1,279,800**
Railway, Irrigation, and other Capital not charged to Revenue—									
Capital raised through Companies towards outlay on State Railways	13,333	...	13,333	32,000	...	32,000	816,600		816,600
Capital contributed by Native States towards construction of State Railway	...	...	...	200,000	...	200,000	66,700	...	66,700
Outlay of Railway Companies—									
Repayments	...	6,914	6,914	...	5,500	5,500	..	2,400	2,400
Net			**0**			**0**			**0**
Raised and Deposited by Railway Companies—									
On account of Subscribed Capital	69,746	495,000	564,746	160,500	4,602,800	4,763,300	338,100	3,420,900	3,759,000
Net			**564,746**			**4,483,300**			**1,128,100**
Permanent Debt Incurred—									
Sterling Debt—									
India Stock	...	3,000,000		...	...		...	4,635,000	4,635,000
Rupee Debt—									
Rupee Loan	2,000,000	...		2,000,000	...		3,333,300	...	3,333,300
Total	2,000,000	3,000,000	5,000,000	2,000,000	...	2,000,000	3,333,300	4,635,000	7,968,300
Net			**2,937,639**			**121,600**			**7,274,600**
Temporary Debt Incurred—									
Temporary Loans	...	...	...	...	...	...	...	...	...
Net			**0**			**0**			**0**
Unfunded Debt—									
Deposits of Service Funds	90,527	...		89,600	...		89,400	...	
Savings Bank Deposits	7,472,428	...		8,644,400	...		8,120,000	...	
Total	7,562,955	...	7,562,955	8,734,000	...	8,734,000	8,209,400	...	8,209,400
Net			**1,686,130**			**2,255,000**			**1,772,100**
Deposits and Advances—									
Balances of Provincial Allotments	4,514,050	...		63,200	...		...	...	
Appropriation for Reduction or Avoidance of Debt	343,203	...		305,700	...		201,500	...	
Deposits of Local Funds—									
District Funds	4,070,998	...		5,007,500	...		4,867,100	...	
Other Funds	1,346,601	...		1,277,500	...		1,198,800	...	
Deposits of Sinking Funds	42,129	...		43,800	...		59,000	...	
Gold Standard Reserve—									
Profits on new coinage and dividend on investment, etc.	3,301,025	517,725		2,114,700	575,300		...	520,500	
Council Bills appropriated	...	...		...	2,150,000		...	...	
Gold transferred	...	1,200,000		...	...		...	...	
Investment account	...	9,647,351		...	7,003,800		...	8,291,700	
Currency Reserve—Gold received from India	...	1,600,000		...	...		...	...	
Departmental and Judicial Deposits	28,615,344	...		29,485,500	...		29,559,600	...	
Advances	7,334,736	10,043		5,880,800	23,700		5,443,000	54,500	
Suspense Accounts	97,929	...		123,500	...		16,300	...	
Miscellaneous	22,706	...		14,900	...		9,500	...	
Total	49,688,721	12,974,119	62,662,840	44,317,800	9,752,800	54,070,600	41,354,800	8,866,700	50,221,500
Net			**5,431,734**			**0**			**0**
Carried over	145,220,073	17,453,313		138,873,000	15,194,000		138,388,100	17,688,500	

Government of India, in India and in England.

	Accounts, 1912-1913.			Revised Estimate, 1913-1914.			Budget Estimate, 1914-1915.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	58,961,342	20,279,572	79,240,914	63,241,200	20,433,600	83,674,800	66,148,400	20,813,800	86,962,200
Add—Provincial Surpluses transferred to "Deposits"	4,514,050	...	4,514,050	63,900	.	63,900	...	...	...
Deduct—Provincial Deficits charged to "Deposits"	...	...	...	805,000	...	805,000	*3,209,300*	...	*3,209,300*
Total	63,475,392	20,279,572	83,754,964	62,500,100	20,433,600	82,933,700	62,959,100	20,813,800	83,752,900
Railway, Irrigation, and other Capital not charged to Revenue—									
Outlay on Irrigation Works	1,377,811	30,518	1,408,329	1,255,400	74,700	1,330,100	1,153,000	47,000	1,200,000
Outlay on State Railways	6,372,553	2,440,342	8,812,895	7,249,300	3,033,600	10,282,900	7,831,300	2,641,400	10,472,700
Initial expenditure on new Capital at Delhi	108,061	6,833	114,894	449,500	55,500	505,000	564,700	102,000	666,700
Outlay of Railway Companies—									
Payments for Capital outlay	165,735	983,506	1,149,241	191,400	1,871,700	2,063,100	353,400	1,514,600	1,868,000
Net			**1,142,327**			**2,057,600**			**1,865,600**
Raised and deposited by Railway Companies—									
Payments for discharge of Debentures	...	...	...	...	280,000	280,000	...	2,630,900	2,630,900
Net			**0**			**0**			**0**
Permanent Debt Discharged—									
Sterling Debt—									
Madras Railway Debentures	...	249,700		...	170,000		...	...	
Indian Midland Do.	...	1,227,900		...	1,111,200		...	...	
India Bonds	...	500,000		...	500,000		...	500,000	
Rupee Debt—									
4½ p. c. Loans	1,333	...		1,200	...		...	...	
4 p. c. Loans	80,989	...		81,000	...		184,100	...	
3½ p. c. Loans	67	...		100	...		100	...	
3 p. c. Loans	2,307	...		14,900	...		9,500	...	
Provincial Debentures	47	...		...	...		...	...	
Stock Notes	18	...		...	...		...	...	
Total	84,761	1,977,600	2,062,361	97,200	1,781,200	1,878,400	193,700	500,000	693,700
Net			**0**			**0**			**0**
Temporary Debt Discharged—									
Temporary Loans	...	4,500,000	4,500,000	...	...		...	...	...
Net			**4,500,000**						
Unfunded Debt—									
Special Loans	412	...		200	...		200	...	
Deposits of Service Funds	92,648	...		93,600	...		95,700	...	
Savings Bank Deposits	5,783,765	...		6,385,200	...		6,341,400	...	
Total	5,876,825	...	5,876,825	6,479,000	...	6,479,000	6,437,300	...	6,437,300
Net		...	**0**			**0**			**0**
Deposits and Advances—									
Balances of Provincial Allotments	...	...		805,000	...		3,209,300	...	
Deposits of Local Funds—									
District Funds	3,842,737	...		4,410,100	...		4,783,700	...	
Other Funds	1,297,991	...		1,209,500	...		1,162,200	...	
Gold Standard Reserve—									
Deposit of rupees in India	2,065,698	...		...	...		...	...	
,, Gold in England	...	1,620,000		...	2,700,000		...	530,000	
Council Bills appropriated	...	...		2,150,000	...		...	...	
Gold transferred	1,200,000	...		...	...		...	...	
Investments, etc.,	...	9,812,122		...	8,011,500		...	8,279,400	
Currency Reserve—Gold transferred	...	1,600,000		...	...		...	...	
Departmental and Judicial Deposits	27,892,238	...		29,108,300	...		29,359,500	...	
Advances	7,416,076	137,440		6,068,900	106 500		5,467,800	16,300	
Suspense Accounts	310,699	...		108,800	...		600	...	
Exchange on Remittance account (net)	18,302	...		300	...		...	...	
Miscellaneous	17,803	...		...	...		...	...	
Total	44,061,544	13,169,562	57,231,106	43,860,900	10,818,000	54,678,900	43,983,100	8,825,700	52,808,800
Net			**0**			**608,300**			**2,587,300**
Carried over	121,522,682	43,387,933		122,082,800	38,348,300		123,455,600	37,075,400	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1912-1913.			Revised Estimate, 1913-1914.			Budget Estimate, 1914-1915.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	145,220,073	17,453,313		138,873,000	15,194,000		138,388,100	17,688,500	
Loans and Advances by Imperial Government	277,366	...	277,366	234,800	...	234,800	197,300	...	197,300
Net			**140,988**			**54,200**			**0**
Loans and Advances by Provincial Governments	1,113,599	...	1,113,599	1,013,300	...	1,013,300	1,398,600	...	1,398,600
Net			**0**			**0**			**62,200**
Loans to Local Boards for Railway Construction	6,848	...	6,848	7,100	...	7,100	7,400		7,400
Net			**6,848**			**7,100**			**7,400**
Remittances—									
Inland Money Orders	34,821,257	...		37,466,700	...		39,966,700	...	
Other Local Remittances	485,730	...		473,900	...		453,500	...	
Other Departmental Accounts	103	...		...	...		...	...	
Net Receipts by Civil Treasuries from—									
Post Office	2,148,333	...		1,729,700	...		1,362,700	...	
Railways	13,936,389	...		14,103,700	...		13,572,100	...	
					...		...		
Net Receipts from Civil Treasuries by—									
Telegraph	717,736	...		738,700	...		857,200	...	
Marine	257,253	...		249,500	...		245,400	...	
Military Works	709,434	...		742,300	...		901,900	...	
Military	13,172,705	...		13,388,900	...		13,477,900	...	
Remittance Account between England and India—									
Purchase of Silver	7,093,726	...		4,525,200	...		...	...	
Railway transactions	3,493,357	25,882		5,062,400	8,800		4,744,300	1,256,600	
Other „	1,057,099	1,845,205		783,200	2,046,300		503,300	1,561,700	
Total	77,893,122	1,871,087	79,764,209	79,264,200	2,055,100	81,319,300	76,085,000	2,818,300	78,903,300
Net			**0**			**0**			**0**
Secretary of State's Bills drawn	...	25,759,706	25,759,706	...	28,100,000 (e)	28,100,000	...	20,000,000	20,000,000
Total Receipts	224,511,008	45,084,106		219,392,400	45,349,100		216,076,400	40,506,800	
Opening Balance	12,279,689	19,463,723 (a)		19,293,131	9,789,634 (b)		14,990,631	6,456,034 (c)	
GRAND TOTAL	236,790,697	64,547,829		238,685,531	55,138,734		231,067,031	46,962,834	

(a) Of this amount £1,073,710 represents the funds of the Gold Standard Reserve.
(c) „ £23,264 „ „ „ „ „ „
(e) In addition to £2,150,000 for remittance of the Gold Standard Reserve.

DELHI,
FINANCE DEPARTMENT,
March 2, 1914.

C. W. C. CARSON,
Offg. Deputy Comptroller General.

Government of India, in India and England—*continued.*

	Accounts, 1912-1913.			Revised Estimate, 1913-1914.			Budget Estimate, 1914-1915.		
	India.	England.	Total.	India	England	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	121,522,682	43,387,933		122,082,800	38,348,300		123,455,600	37,075,400	
Loans and Advances by Imperial Government . .	136,378	...	136,378	180,600	...	180,600	436,000	...	436,000
Net .			**0**			**0**			**238,700**
Loans and Advances by Provincial Governments .	1,333,018	...	1,333,018	1,679,100	...	1,679,100	1,336,400	...	1,336,400
Net .			**219,419**			**665,800**			**0**
Remittances—									
Inland Money Orders .	34,781,512	...		37,433,300	...		39,966,700	...	
Other Local Remittances	...	...		926,600	...		453,500	...	
Other Departmental Accounts . . .	12,798	...		...	...		..	...	
Net payments into Civil Treasuries by—									
Post Office . .	2,148,971	...		1,729,700	...		1,362,700	...	
Railways . . .	13,977,951	...		14,852,900	...		13,572,100	...	
Net Issues from Civil Treasuries to—									
Telegraph . .	711,894	...		738,700	...		857,200	...	
Marine . . .	254,870	...		249,500	...		245,400	...	
Military Works .	713,393	...		742,300	...		901,900	...	
Military . . .	13,175,479	...		13,388,900	...		13,477,900	...	
Remittance Account between England and India—									
Purchase of silver .	35,107	7,058,619		...	4,525,200		...	...	
Railway transactions .	1,060	3,518,179		...	5,071,200		750,000	5,250,900	
Other „ .	2,708,904	793,464		1,599,500	738,000		1,550,900	520,300	
Total .	68,521,939	11,370,262	79,892,201	71,661,400	10,334,400	81,995,800	73,138,300	5,771,200	78,909,500
Net .			**127,992**			**676,500**			**6,200**
Secretary of State's Bills paid . .	25,983,549	...	25,983,549	(e) 28,091,000	...	28,091,000	20,000,000	...	20,000,000
Total Disbursements .	217,497,566	54,758,195		223,694,900	48,682,700		218,366,300	42,846,600	
Closing Balance .	19,293,131	(b) 9,789,634		14,990,631	(c) 6,456,034		12,700,731	(d) 4,116,234	
GRAND TOTAL .	236,790,697	64,547,829		238,685,531	55,158,734		231,067,031	46,962,834	

(*b*) Of this amount £1,005,664 represents the funds of the Gold Standard Reserve.
(*d*) „ £26,064 „ „ „ „ „ „
(*e*) In addition to £2,150,000 for remittance of the Gold Standard Reserve.

M. F. GAUNTLETT,
Comptroller General.

J. B. BRUNYATE,
Secretary to the Government of India.

D.—Account of Provincial Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Settlements.

Provincial Balances.

	Central Provinces and Berar.	Burma.	Assam.	Bengal.	Bihar and Orissa.	United Provinces of Agra and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.	Equivalent in £ at R15=£1.
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	£
Accounts, 1912-1913.											
Balance at end of 1911-1912 . . .	39,86,787	41,18,025	41,96,000	1,66,25,000	1,30,62,000	88,34,725	1,03,73,033	1,85,28,604	1,08,92,238	9,06,46,412	6,043,094
Added in 1912-1913 .	50,85,246	88,74,174	36,10,494	1,47,05,270	70,22,199	95,88,748	74,11,069	43,30,275	70,83,281	6,77,10,756	4,514,050
Spent in 1912-1913 .	...	...	...	...	...	...	...	...	...	...	...
Balance at end of 1912-1913 . . .	90,72,033	1,30,22,199	78,06,494	3,13,30,270	2,00,84,199	1,84,23,473	1,77,84,102	2,28,58,879	1,79,75,519	15,83,57,168	10,557,144
Revised Estimate, 1913-1914.											
Balance at end of 1912-1913 . . .	90,72,033	1,30,22,199	78,06,494	3,13,30,270	2,00,84,199	1,84,23,473	1,77,84,102	2,28,58,879	1,79,75,519	15,83,57,168	10,557,144
Added in 1913-1914 .	9,56,000	3,000	...	...	...	...	...	...	...	9,59,000	63,900
Spent in 1913-1914	...	...	*22,61,000*	*9,00,000*	*12,59,000*	*4,47,000*	*15,26,000*	*55,64,000*	*1,19,000*	*120,76,000*	*805,000*
Balance at end of 1913-1914 . . .	1,00,28,033	1,30,25,199	55,45,494	3,04,30,270	1,88,25,199	1,79,76,473	1,62,58,102	1,72,94,879	1,78,56,519	14, 2,40,168	9,816,044
Budget Estimate, 1914-1915.											
Balance at end of 1913-1914 . . .	1,00,28,033	1,30,25,199	55,45,494	3,04,30,270	1,88,25,199	1,79,76,473	1,62,58,102	1,72,94,879	1,78,56,519	14,72,40,168	9,816,044
Added in 1914-1915 .	...	...	...	...	...	...	...	...	...	...	...
Spent in 1914-1915 .	*8,74,000*	*50,70,000*	*22,21,000*	*1,08,98,000*	*70,62,000*	*67,92,000*	*29,93,000*	*57,92,000*	*64,38,000*	*4,81,40,000*	*3,209,300*
Balance at end of 1914-1915 . . .	91,54,033	79,55,199	33,24,494	1,95,32,270	1,17,63,199	1,11,84,473	1,32,65,102	1,15,02,879	1,14,18,519	9,91,00,168	6,606,744

C. W. C. CARSON,
Offg. Deputy Comptroller General.

M. F. GAUNTLETT,
Comptroller General.

J. B. BRUNYATE,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT;
March 2, 1914.

E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England.

REVENUE AND EXPENDITURE.	ACCOUNTS, 1912-1913.					REVISED ESTIMATE, 1913-1914.		BUDGET ESTIMATE, 1914-1915.	
	Revenue.	Expenditure. Refunds and Assignments.	Expenditure. Cost of Collection and Production.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Revenue Heads.	£	£	£	£	£	£	£	£	£
Principal Heads of Revenue. Land Revenue (excluding that due to Irrigation)	21,282,468	763,222	3,868,029	16,651,217		16,331,900		16,756,000	
Opium	5,124,592	9,178	599,729	4,515,685		529,100		1,089,100	
Salt	3,334,374	257,256	374,008	2,703,110		2,787,800		2,785,400	
Stamps	5,069,115	59,341	153,898	4,855,876		5,002,400		5,161,200	
Excise	8,277,919	78,570	428,571	7,770,778		8,363,400		8,574,000	
Provincial Rates	552,149	1,078	4,859	546,212		179,400		30,300	
Customs	7,197,243	147,988	257,288	6,791,967		6,941,900		6,820,100	
Assessed Taxes	1,742,397	11,230	28,387	1,702,780		1,858,700		1,835,100	
Forest	2,153,009	6,342	1,152,585	994,082		1,021,700		939,500	
Registration	482,022	1,038	246,532	234,452		253,800		254,400	
Tributes	623,542	204,175	...	419,367		424,100		404,900	
TOTAL	55,838,830	1,539,418	7,113,886	47,185,526		43,704,200		44,650,000	
Total deduction from Revenue		8,653,304							
Expenditure Heads.									
Debt Services. Interest	1,473,708	1,810,535			336,827		176,700		231,800
Commercial Services. Post office	2,262,436	2,026,567		235,869		291,600		470,100	
Telegraph	1,174,124	1,105,946		68,178			4,400		87,700
Railways	17,371,789	12,568,435		4,803,354		4,649,500		3,920,700	
Irrigation	4,411,217	3,301,928		1,109,289		999,700		927,900	
Other Public Works. Civil Works, etc.	355,447	6,063,769			5,708,322		6,768,900		7,217,100
Mint. Mint	487,359	142,343		345,016		268,000		145,500	
Civil Departments. Civil Departments	1,334,847	16,688,755			15,353,908		16,653,700		18,341,100
Miscellaneous Civil Services. Superannuation	200,386	3,284,319			3,083,933		3,199,700		3,245,000
Exchange	100,879	...		100,879		113,900		66,700	
Miscellaneous	371,864	330,778		41,086			301,400		202,500
Other heads	92,078	1,311,135			1,219,057		1,315,900		1,285,200
Famine Relief and Insurance. Famine Relief	...	188,885			188,885		194,300		298,500
Other heads	...	811,115			811,115		805,700		701,500
Military Services. Army. Effective	1,107,244	16,338,619			15,231,375		15,582,700		15,914,100
Army. Non-effective	120,559	3,237,907			3,117,348		3,118,800		3,142,700
Marine	87,669	479,928			392,259		414,400		428,100
Military works	72,162	887,379			815,217		879,200		982,100
Special Defences (1902)	...	9,267			9,267		24,300		33,000
TOTAL	86,862,598	79,240,914		7,621,684		583,800			1,929,500
Provincial Adjustment. Surplus		4,514,050			4,514,050				
Deficit		...				741,100		3,209,300	
TOTAL	86,862,598	83,754,964		3,107,634		1,327,900		1,279,800	
Capital Account. Surplus				3,107,634		1,327,900		1,279,800	
Railway and Irrigation Capital not charged to Revenue:—									
Capital raised through Companies towards outlay on State Railways				13,333		32,000		816,600	
Capital contributed by Native States towards construction of State Railways						200,000		66,700	
Capital raised and deposited by Railway Companies (net)				564,746		4,483,300		1,128,100	
Outlay on Irrigation Works					1,408,329		1,330,100		1,200,000
Outlay on State Railways					8,812,895		10,282,900		10,472,700
Initial outlay on new Capital at Delhi					114,894		505,000		666,700
Outlay of Railway Companies (net)					1,142,327		2,057,600		1,865,600
Debt, Deposits, Advances, and Remittances. Permanent Debt (net)				2,937,639		121,600		7,274,600	
Temporary Debt (net)					4,500,000				
Unfunded Debt (net)				1,686,130		2,255,000		1,772,100	
Loans and Advances by Imperial Government (net)				140,988		54,200			238,700
Loans and Advances by Provincial Governments (net)					219,419		665,800	62,200	
Loans to Local Boards for Railway Construction (net)				6,848		7,100		7,400	
Deposits and Advances (net)				5,431,734			608,300		2,587,300
Remittances (net)					127,992		676,500		
Secretary of State's Bills drawn (net)				25,759,706		28,100,000		20,000,000	6,200
Secretary of State's Bills paid (net)					25,983,549		28,091,000		20,000,000
				39,648,758	42,309,405	36,581,100	44,217,200	32,407,500	37,037,200
Cash Balance. Opening Balance (net)				31,743,412		29,082,765		21,446,665	
Closing Balance (net)					29,082,765		21,446,665		16,816,965
TOTAL				71,392,170	71,392,170	65,663,865	65,663,865	53,854,165	53,854,165

C. W. C. CARSON,
Offg. Deputy Comptroller General.

M. F. GAUNTLETT,
Comptroller General.

J. B. BRUNYATE,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT;
March 2, 1914.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 to 1909 (24 & 25 Vict., c. 67, 55 & 56 Vict., c. 14, AND 9 Edw. VII, c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Saturday, the 7th March, 1914.

PRESENT:

The Hon'ble SIR HARCOURT BUTLER, K.C.S.I., C.I.E., Vice-President, *presiding*, and 49 Members, of whom 43 were Addition al Members.

FINANCIAL STATEMENT.

FIRST STAGE.

The Hon'ble Sir William Meyer:—" Sir I beg to open the first stage of the discussion on the Financial Statement for 1914-15. "

RESOLUTION *RE* GRANT TO BENGAL FOR MEDICAL AND SANITATION.

The Hon'ble Maharaja Ranajit Sinha of Nashipur:— " Sir, with your permission, I beg to move the Resolution that stands in my name. The Resolution runs thus :—

That this Council recommends to the Governor General in Council that a non-recurring grant of 5 lakhs be made to the Bengal Government for Medical and Sanitation.

" Sir, I find from the Financial Statement laid before the Council by the Hon'ble Finance Member that, owing to a shortage of rains in some Provinces there had been a large amount of remissions and suspensions of revenues so it was a difficult task for the Finance Member to produce a satisfactory budget this year. Notwithstanding that, he has been able to make a recurring grant for Education and to keep the previous grants in tact without having them curtailed ; so the Finance Member is to be congratulated for the Financial Statement he has been able to lay on the table.

" Sir, we are grateful to the Government and the Hon'ble Financial Member for the recurring grant of Rs. 1,50,000 for Education to the Bengal Government. The Province of Bengal needs special attention as regards sanitation. I think there is not a single province in the whole of India which is so badly off in respect of sanitation as Bengal. If we go into the interior districts of Bengal, we find that almost all the houses are surrounded by jungles, and there is not a single family who is not suffering from malarial fever. The malaria there lasts for about 7 or 8 months in a year, and almost everybody living in the interior suffers from malaria and from liver and spleen on that account

"Sir, we find from the Administration Report on the sanitation of Bengal that, notwithstanding all the precautions that have been taken to check malaria, nothing has been found practicable. The death rate in the year 1912 was very much increased, and about 71 per cent was due to malaria alone. Out of 128,199 number of deaths, 76,917 were from malarial fever, and 27,717 from cholera. The Government has made a munificent grant for the improvement of sanitation as regards rural areas by giving up the entire portion of the Public Works cess; but the urban areas have got no such help from the Government, and it is for these areas that I plead for the money. There are 112 municipal towns in Bengal, out of which 65 towns recorded the highest mortality in the year 1912, and we find from the Census Report that the population of some of the towns is gradually decreasing. With your permission, Sir, I should like to mention the names of a few towns. In Midnapur in 1901 there was a population of 14,525, and in the Census of 1911 it came down to 12,064. In another town called Khirpi in the Midnapur district 5,045 was the previous population and now it is 4,605; and such is the case as regards municipalities in Murshidabad, Hughli, Nadia and some other districts. In 20 districts of Bengal the population has been reduced considerably, and so something should be done in this respect. The Government of Bengal is doing as far as it is practicable, but they want large amounts for that purpose. Sanitation and Education should go hand in hand, and last year Sir Guy Fleetwood Wilson justly remarked that Sanitation and Education are twins of phenomenal development. I know full well that the Government of India is giving special attention to Sanitation, and considering the financial condition of this year, I have not demanded a very large figure. For medical purposes, we also require a large amount for female medical aid—I mean the female nursing institution and the Dufferin Fund. So I hope that the Hon'ble the Finance Member will be able to see his way to complying with my modest prayer. I have not asked for a very large figure, but only for 5 lakhs of rupees. I know that the Government of Bengal could not as yet spend the entire amount allotted to that Government. But they are bound to prepare the budget according to the amount available to them, and if they get a large amount of grants from the Government of India, I am sure they will provide for a liberal contribution in that respect. Further, in the province of Bengal, as it is now constituted, there is not a single district which is a healthy one, except Darjeeling, and so we require a sanitarium on the plains where the people could resort while they suffer from malaria and other diseases. The Indians as a rule do not like to go to Darjeeling, it being very cold; and for this purpose we also require money. So I hope that the Government will be able to grant a larger sum for the purposes of sanitation and medical aid in Bengal."

The Hon'ble Sir Ibrahim Rahimtoolah:—"Sir, I should like to say a few words on this question. The request of the Hon'ble Member asking for 5 lakhs more is a modest one. But there is one point which, I think, he might have elucidated for the information of this Council. The cost for Sanitation in towns is admitted to be a local charge, and it ought to be ascertained what is the contribution which local residents make towards their obvious obligations in this direction. Sir, I am induced to make these remarks, because, in spite of the fact that Bengal is considered to be one of the richest provinces in India—some people attribute this to the permanent settlement—the municipal taxation in Calcutta works out at less than Rs. 9 per head, per annum, while the city of Bombay annually pays Rs. 11-8 per head. With a population approximating one million in each case, Bombay pays over 25 lakhs per annum more for its municipal requirements than Calcutta does. I should like to know whether the other towns for which this claim is put forward contribute their due share towards their local needs. If they do so, and the amount is still insufficient, I can quite understand that a case would arise for an appeal to the Government of India. Sir, unless this information is forthcoming, I am not prepared to support the Resolution."

The Hon'ble Maharaja Manindra Chandra Nandi of Kasimbazar:—"Sir, I beg to support this Resolution. I do not lose sight of the fact that the financial outlook for the forthcoming year is not so favourable as it has been for some years past. The Hon'ble the Finance Member

in his speech introducing the Financial Statement has proposed to make recurring grants of £60,000 and £40,000, respectively, under the heads of Education and Sanitation to Provincial Governments. In paragraph 47 of his speech the Hon'ble Member says :—' The Local Governments have already received very material assistance in regard to the recurring outlay which the progressive policy in Education and Sanitation must entail. For the future, they can rely, first, on the recurring grants already given ; secondly, for a time at any rate, on the large unspent balances which they have still in hand, and thirdly on the growth of their own revenues—a factor which must not be entirely neglected. I have already indicated that I hope that next year, if circumstances are propitious, I may be in a position to give stronger practical proof of the Government of India's continued sympathy in this matter. Meanwhile, the large donations already made have gone far beyond the immediate spending power of the Local Governments, and it cannot be said that further advance is being prejudiced for want of funds.' We are very grateful for the assurance held out by the Hon'ble the Finance Member, but the Resolution contains a very modest prayer for a non-recurring grant of 5 lakhs only to the Bengal Government under the head Medical and Sanitation. The sanitation of Bengal is in urgent need of improvement, and any grant for this purpose is sure to be well spent. I respectfully hope that the Government will find themselves in a position to accede to the request made in this Resolution."

The Hon'ble Rai Sita Nath Ray Bahadur:—" Sir, I have very little to add to what has been stated by my Hon'ble friend the Maharaja of Nashipur. All that I can say is that nothing can be more desirable and nothing can be more necessary than that persistent and sustained efforts should be made for carrying out measures which would go to improve the health of the people living in rural areas, and which can only be done by supplying good drinking water and by improving the water-ways, which, as is well-known, are gradually silting up, and it is this which adds to the insanitariness of rural areas. It is well known that in Bengal the two things which prejudicially affect the sanitation of rural areas are bad drinking water and the gradual silting up of the once navigable rivers. It is therefore necessary that more money should be secured for supplying good drinking water and also for improving the natural water-ways.

" As regards the prayer for medical aid, I may inform this Council that cholera and malaria are the two characteristic diseases which generally infest rural areas and commit great havoc there, but nevertheless poor people living in distant parts of the Presidency, that is far away from the headquarters of a district, cannot get a drop of medicine when they are attacked by cholera or any other epidemic disease. It is therefore necessary that more dispensaries should be opened in rural areas.

" With respect to the inquiries made by my esteemed friend, Sir Ibrahim Rahimtoola, that he would like to be informed as to what the people themselves have been doing and as to whether the people have contributed sufficient funds to justify the demand for more money, all I can say is that they have to pay, in the shape of road and public works cesses, about 70 lakhs, and that that money was intended to be used entirely for securing different direct benefits to the people, as, for instance, for supplying them with good drinking water and village paths, etc. But the sums that are obtained by the levy of road and public works cesses are now mostly diverted to hundred other purposes and not confined to the making of roads or to the supplying of good drinking water. However, it is enough to say that they contribute very large sums of money in the shape of road and public works cesses, which, on account of the different ways in which they are used or misapplied do not leave enough to secure proper medical aid and good drinking water. Under the new distribution of the provinces, the resources of the Bengal Government have been very much restricted and curtailed, which renders it all the more desirable that the Imperial Government should come to the rescue of the Local Government."

The Hon'ble Mr. Porter:—" I am afraid we cannot accept this Resolution, and that for two main reasons. In the first place, the Hon'ble the Mover has not indicated what particular Peter is to be robbed to pay his

Paul; and in the second place, I think the seconder admitted that the grants already made to the Bengal Government have exceeded their spending capacity. I was rather astonished to hear the Hon'ble Mover say that no grants had been made for urban Sanitation in Bengal. During the last 3 years non-recurring grants, amounting to 40½ lakhs, have been made mainly for urban Sanitation, and recurring grants amounting to 5 lakhs. The unspent balance, according to the estimates of the Local Government, on the 1st April 1915, will be Rs. 16,75,000.

"With regard to Malaria a grant of Rs. 50,000 was made some time ago for jungle-cutting, etc., but owing to some difference of opinion, among experts I believe, that money has not yet been spent. In addition to that 5 lakhs non-recurring have been given to the School of Tropical Medicine and a grant of 1 lakh from the Indian Research Fund for the same purpose. A grant of 1 lakh was also made for medical Institutions in Bengal in 1913-1914. I think the Council will see from these figures that more money has been given than can be spent within the next three or four years, and for this reason I must oppose the Resolution."

The Hon'ble Maharaja Ranajit Sinha of Nashipur:—"Sir, what I meant to say was that in the coming year no provision has been made for Medical and Sanitation grant. I did not mean to say that the Government have not made any grants in previous years: I know full well that they made a very liberal grant in those respects. As regards Sanitation, it is true that the Local Government have not spent the entire amount already allotted; but the amount left with the Government of Bengal is not much more than is needed for the medical and sanitary requirements of the Province. If it is not possible to make a liberal grant, I beg to ask that a small grant may be made this year as a non-recurring grant for the two purposes.

"My friend the Hon'ble Sir Ibrahim Rahimtoola asked whether the people of Calcuttta are doing their best to raise funds for these objects. I was not prepared for the attack, and I don't know what is being done there, being a non-resident of Calcutta, and I have not studied the figures for Calcutta. But, as far as I know, Calcutta contributes the highest municipal rates and there is no room for expansion; but, Sir, to-day I have not asked for any grant for Calcutta, but for the *mofussil* municipalities where the people pay the highest municipal rates and contribute their mite for improving the sanitation of their own towns. My friend does not seem to have any idea that in the municipalities of Bengal the population is very small and so it is not possible to meet the heavy cost of drainage and water-supply from the amount raised in the form of taxes."

The Resolution was put and rejected.

RESOLUTION *RE* GRANT FOR SANITATION TO THE UNITED PROVINCES.

The Hon'ble Rai Sri Ram Bahadur:—"Sir, I rise to move the Resolution which stands in my name. It is in these words:

> That this Council recommends to the Governor General in Council that an addition of 12 lakhs be made in the grant for Sanitation to the United Provinces.

"My object in moving this Resolution is to place funds in the hands of the Local Government to meet the expenses which are required for improving the sanitation of the sacred places situated in the United Provinces. We know that last year a Committee, presided over by the Hon'ble Major Robertson, Sanitary Commissioner to the Government of India, was appointed, and my friend sitting on my right was a member of that Committee. That Committee has gone thoroughly, I hope, into the requirements of these sacred places. The principal requirements, as we know, are the improvement of water-supply, drainage and other sanitary measures which are calculated to improve the sanitation of these places.

"Sir, the money which will be spent or which is required for these places is not for local benefit only; it is for the benefit of the whole of India, because to these sacred places, Hindus from all parts of the country resort, and they

when returning from these places, carry with them, in many cases, the germs of diseases, especially of cholera; and in this way the whole population of India is affected. Therefore any sums spent on the improvement of the sanitation of these places will be for the benefit of the whole of India. I may just mention some places which are in immediate want. One of these is Ajodhya. There some sanitary works have already been taken in hand, for instance, the improvement of the water-supply and drainage. The water-works are calculated to cost 6 lakhs and drainage 1½ lakhs more. These are the figures for only these two measures of sanitary reform. As regards others, *i.e.*, roads and other measures of sanitation, a further expenditure will be required. Then we may take the case of Hardwar, a place which is the resort sometimes of a million people and at another of half a million people on one day. We know how epidemic diseases are carried from that place to other parts of India. I am not in a position to say at present what sum will be required for that place; but the measures which are necessary for the improvement of its sanitation are the supply of pure drinking water, drainage, and certain other improvements in the shape of carrying on the platform which has been built there near Harkapadin further on towards the north. There are other sacred places also where sanitation requires early attention. Mathura is one, and Brindaban, which is situated in that district, is another. Then come Bindachal in the Mirzapur district, Soron in the Etah district, and Nimsar in the Sitapur district. In this enumeration I do not include Allahabad and Benares, which are also sacred places of Hindus. Measures of sanitary reform are being carried out there by the municipalities of those places. The facilities given by the Government to the Hindu pilgrims who resort to Badrinath and Kedarnath by providing sanitary measures for them on the route leading to those places have earned the gratitude of the Hindu population to the Government of India. Government have been pleased to give a recurring grant of Rs. 20,000 a year for the improvement of medical and sanitary arrangements of the route. They have also given one lakh of rupees generally for improving the pilgrim route, its water supply and general sanitation, and work has already begun, and there is a further promise of one lakh a year for five years more to complete the work. This liberal act on behalf of Government has earned the gratitude of all Hindus.

"Sir, it must be borne in mind that the first instalment of 12 lakhs, which is the amount asked for the coming year in my Resolution, will not be enough for improving the sanitation of the places about which I have spoken; and I hope that this modest request for providing in the budget 12 lakhs for the improvement of the sacred places will meet with the approbation of the Government of India, so that the Local Government may be placed in a position to begin the work in those places. With these words, Sir, I move the Resolution."

The Hon'ble Raja Kushal Pal Singh :—"Sir, I rise to support the Resolution. Most of the principal places of Hindu pilgrim resort lie in the United Provinces. The influx of pilgrims is enormously large. They hail from all parts of India. The sanitary condition of these places of pilgrimage and of pilgrim centres is anything but satisfactory. Improved sanitation in these places will be a benefit to all the provinces of India. Without betraying the contents of the report of the United Provinces Pilgrim Committee, which will shortly be laid before the Government, I can unhesitatingly say that it will disclose the absolute necessity for a very large grant of money by the Government of India. The liberal grant by the Government of India for the pilgrim route to Badrinath has laid the entire Hindu community under a deep obligation."

The Hon'ble Pundit Madan Mohan Malaviya :—"Sir, I beg to support the Resolution."

The Hon'ble Mr. Porter :—"Sir, the Hon'ble Rai Sri Ram Bahadur has dealt with his Resolution mainly on the point of improvement of pilgrim centres, and I think the next Resolution, that of the Hon'ble Pundit, deals with the general question. The Hon'ble Mover has recognised the liberal assistance that has been given for the improvement of the Badrinath pilgrim route. As

yet we have not received the report of the committee which has been sitting in the United Provinces. A grant of 6 lakhs recurring has been placed at their disposal this year, and when the time comes for the allotment of this sum, the Hon'ble gentleman's recommendations will receive due consideration. For the present, however, it is impossible to accept the Resolution, on the same grounds as the previous one, namely, that there is no indication as to where the money is to come from, and that the funds already given to the United Provinces have exceeded their spending capacity, inasmuch as on the 1st April 1915, 9 lakhs will remain unspent as balance."

The Hon'ble Rai Sri Ram Bahadur:—"Sir, with the assurance which my Hon'ble friend Mr. Porter has given me as regards the consideration of the subject of this Resolution, I beg to withdraw the Resolution with your permission."

The Resolution was, by permission, withdrawn.

RESOLUTION *RE* INCREASE OF RECURRING GRANT FOR SANITATION AND MEDICAL RELIEF TO THE UNITED PROVINCES.

The Hon'ble Pundit Madan Mohan Malaviya:—"Sir, the Resolution which I have the honour to place before the Council runs as follows:—

That the recurring grant to the United Provinces for sanitation and medical relief be increased by 8 lakhs.

"Sir, the Council is fully aware that the United Provinces are the first among all the major provinces of India in point of population, having a population of over 48 millions They also contribute, as it has been my duty repeatedly to remind the Council, the largest amount in land revenue and other revenues taken together. But if the Council will turn to page 69 of the memorandum presented to us the other day, it will appear that notwithstanding the two facts mentioned by me the provision in the Budget for 1914-1915, under the head 'Medical,' which includes medical relief and sanitation, for my province is only Rs. 44,82,000, while the provision under the same head for Bombay is Rs. 49,05,000, and that for Bengal is Rs. 47,81,000. Now, Sir, sanitation and medical relief have to be provided for among a people according to the number of the people; the larger the population the greater obviously the need for medical relief and for sanitation. And I submit that, considering that Bombay, with a population which is about half of that of my province, gets 49 lakhs for medical relief and sanitation, and that Bengal, also with a population less by several millions than my provinces, gets 47 lakhs and odd a year, under the same head, my request that 8 lakhs more should be added to the recurring grant for sanitation to the United Provinces, for both sanitation and medical relief, is not unreasonable. I do not wish to dwell at any length on the needs of the United Provinces in the matter of sanitation. I have referred to them on past occasions, I would only say that in no part of India is the death rate higher than unfortunately in the United Provinces. In days gone by the province was one of the healthiest; but owing to the absence of adequate sanitary measures, the provinces are paying a heavy toll both in deaths from plague and from general fever and other diseases. We have lost from plague alone a much larger number of people than even the Punjab; and in the matter of deaths from fever also, we are worse than the other provinces. I am among those, Sir, who believe that such deaths are largely preventible; and it is a satisfaction to think that the Government of India do not require to be convinced about it. They have been spending large sums with a view to promote public health, and to reduce the death rate. We are grateful to them for doing so.

"I also gratefully acknowledge the help that has been given to the United Provinces in the matter of sanitation. But, Sir, while we are thankful for the grants that have been made in the matter of sanitation and medical relief, the pressing needs of our provinces in these directions compel us to ask

that our standard of expenditure under these heads should be raised to the standard of Bombay, and that if that cannot be done at present, at least the same amount should be allotted to us in the next year's budget as has been allotted to Bombay. I need hardly repeat that the revenues contributed by my province fully justifies my request, that ours is not an appeal for charity. As regards the needs of my province, I have had occasion to travel almost from one end of it to the other, and I can assure the Council that there is not a district which does not stand in need of a couple of lakhs a year for sanitation. Something has been done in the matter of sanitation in towns, but in villages, where the great mass of the people live, the people who contribute the largest share of the land revenue, the sanitary arrangements are deplorably unsatisfactory, so much so that even the provision of good and sufficient water for people to drink is wanting in many places; the roads, where they exist, are often in a deplorable condition and there are no roads in numerous places where they should be; the provision of medical relief is very small as compared with what obtains in other parts of the country. I do not mean to suggest that the provision in Bombay or Bengal is sufficient, I think it should be increased even there; but it will be conceded that it is only fair that it should be first increased for the provinces which have the largest number of people to look after, and where the provision at present is smaller than in those other provinces. With these words, Sir, I submit my Resolution for the acceptance of the Council, and I hope that I shall be more fortunate this time than I have been on several other occasions."

The Hon'ble Raja Kushal Pal Singh:—"Sir, the great bulk of the people live in villages and their sanitary improvement is therefore a matter of great importance. I can say from my personal knowledge that the condition of villages is insanitary in the extreme. Refuse of all kinds, filthy water, decaying vegetation, and the excreta of men and animals lie round every village, and pollute the air, which passes, thus poisoned, over the village. Butchers, slaughterers, and tanners ply their trade anywhere they choose. Filthy and polluted water sinks into the ground all round wells of drinking water. Stagnant and foul water lies in pits and hollows and is the fertile source of malaria. Such being the general state of things, it is no wonder that villagers are swept off by epidemic diseases in enormously large numbers. Infant mortality is terribly great.

"No financial consideration ought to carry weight with the Government in devising means to provide sanitation and medical aid to the people living in rural areas, who are the backbone of the country. It is the rural population which pays the greatest amount of taxation in the shape of land revenue, cesses, etc., for the up-keep of the Government without having a fair share, owing to unavoidable circumstances, in the comforts of civilization which the benign British rule has brought in its wake. The Hon'ble Mover has drawn the attention of the Council to the deplorable state of drinking wells in rural areas. I fully endorse what he has said on the subject. The most frequent cause of diseases in India is bad water. Deadly outbreaks of epidemics are traceable to putrid and decaying matter in water.

"A pure water-supply is the great sanitary need of rural areas.

"The Government will be conferring a great boon on the people by constructing wells for drinking purposes in such villages as stand in need of them. In view of the increasing havoc which epidemics make in rural areas, the allotment of money for sanitary and medical purposes should be increased. The number of travelling dispensaries which have been doing most useful work in the United Provinces should be considerably enlarged. The loss of life due to the ravages of plague which has become endemic in the eastern districts of the Province of Agra is simply appalling. Considering the various needs of the United Provinces in the matter of medical relief and sanitation, a liberal grant by the Government of India is urgently required. For the above reasons, I beg to accord my whole-hearted support to the Resolution before the Hon'ble Council."

The Hon'ble Rai Sri Ram Bahadur:—"Sir, I also rise to support the Resolution of my Hon'ble friend Pundit Madan Mohan Malaviya.

The vivid picture of the deplorable condition of sanitation in the rural areas given by my Hon'ble friend Raja Khushal Pal Singh leaves nothing more to be added to. Any one who goes to those localities will find the necessity for immediate action to be taken to improve water-supply and the dirty surroundings of the village sites. The Government, if I may be permitted to say so, have not done much; they have done very little towards improving the sanitation of rural areas. We are thankful for what the Government have done for the improvement of urban areas. In the year that is coming to a close, Rs. 50,000 was allotted by the Sanitary Board of the United Provinces for improving the water-supply—and this sum was for a province which contains more than a lakh of village sites and a rural population of more than 42 millions. I am told that another sum of Rs. 50,000 was to be given for that purpose. For an area which is inhabited by a large rural population and the high mortality of the province in the past years, I think that the amount which is aked for by my Hon'ble friend is a modest one, and I hope Government will be pleased to make the grant and have the amount earmarked for the improvement of rural areas. With these remarks, Sir, I support the Resolution."

The Hon'ble Mr. Porter:—"Sir, I am afraid that I must oppose this Resolution. I think the Hon'ble Mover said that he did not desire to take any money from other provinces, but only to ask for just dues of his province. He did not, however, indicate how this is to be done. He admits that the province has been treated with great liberality in the past few years.

"The non-recurring grants in the last three years amount to 46 lakhs and the recurring grants to 6 lakhs, exclusive of the special grant which has been given to improve pilgrim routes. As I said, the unspent balance on the 1st April 1915 will be 9 lakhs. In addition to that, I must point out that the provincial balance at the present moment is 112 lakhs for general purposes, and that the Government are not limited to these 9 lakhs for expenditure on sanitation. The Hon'ble Rai Sri Ram Bahadur and the Hon'ble Mover dealt with rural sanitation. The district boards have benefited by the transfer of the old land cess to the extent of 32 lakhs per annum, and I think that constitutes an increase in the income amounting to about 40 per cent. I know that, in the Meerut district, the income was 3 lakhs, and it will now be 4 lakhs, and we can reasonably hope that a considerable portion of that will be spent on improving rural conditions and dispensaries.

"I do not think there is anything more to be said, Sir, and I must oppose this Resolution on the same grounds as the previous Resolutions."

The Hon'ble Pundit Madan Mohan Malaviya:—"Sir, I am thankful to the Hon'ble Member for assuring me of the sympathy which he has for the United Provinces. I am thankful not to him alone, but to many other members of Council on the official benches, who have from time to time expressed sympathy with my provinces. I know that their sympathy is genuine and that it would be a real pleasure to them if they could help us. But I sincerely wish that the reality of the situation in the United Provinces were more clearly realised than perhaps it is done at present. I have drawn attention to the fact that of all the provinces, we have got the largest population to deal with, and that we are not receiving for medical relief and sanitation an amount even equal to that which is given to Bombay and to Bengal with a smaller population."

The Hon'ble Sir William Meyer:—"Look at Madras."

The Hon'ble Pundit Madan Mohan Malaviya:—"Madras also is unfortunate, and I wish that my friend will provide more money for Madras; but I fear when it comes to the turn of Madras, it will have as little sympathy from my friend as my provinces have had.

"Sir, the Hon'ble Mr. Porter has observed that I do not want to take the money from other provinces. I do not. I have already said that both for medical relief and sanitation there should be more money given to every

province. But then he asks where is the money to come from? The Council is aware that the amount of £40,000 set aside in the Budget for sanitation has not yet been allotted, and I submit that out of that sum, the Government can without any difficulty give the amount that I ask for in this present year, and then provide for the future after other Resolutions of which I have given notice have been discussed.

"Then my Hon'ble friend has referred to the unspent balance of 9 lakhs to which I already drew attention. The unspent balance of 9 lakhs in the United Provinces is more than equalled by the unspent balances of the other provinces. For instance, as against the 9 lakhs balance in my province, there is a balance of 16·75 lakhs in Bengal, and a balance of 15·5 lakhs in Madras. Therefore, Sir, the fact that we have a balance of 9 lakhs should not really stand in the way of my request being granted. Then as to the general provincial balances: there again my friend will find that other provinces have got huge balances in their hands. I submit that the existence of these balances is not a reason why my request should not be granted. These balances are in the hands of the Provincial Governments, and I am sure, as the Hon'ble Finance Member has himself mentioned in the Statement, they expect to spend these balances in the coming year, and if they do not, I submit that the Government of India should ask them to be a little more expeditious and to spend the money allotted in the directions needed. So far as my province is concerned, I have no doubt this balance will be spent. Sir James Meston has the report of the Sanitary Committee now before him, and many other projects of sanitation are before Government, and I am sure that if the increase which I ask for is made in our budget for medical relief, the money will be very usefully and very economically spent. For these reasons I beg the Hon'ble Finance Member and the Hon'ble Member for Education to consider whether at any rate the unallotted sum under the head of Sanitation should not be given to the United Provinces this year, and provision be made in future years for at least a similar grant."

The Resolution was put and rejected.

RESOLUTION *RE* INCREASE OF UNITED PROVINCES' GRANT FOR INSURANCE AGAINST FAMINE.

The Hon'ble Rai Sri Ram Bahadur:—"Sir, I move the Resolution that this Council recommends to the Governor General in Council that the annual sum allowed to the United Provinces, under the head of 'Reduction or Avoidance of Debt for Insurance against Famine,' be raised from 4½ lakhs to 12½ lakhs, either by a readjustment of the amounts given under that head to other provinces, or by making an additional grant from the general revenues.

"The geographical situation of the United Provinces with regard to their atmospheric conditions is very peculiar They are situated just on the borderland of the monsoon current which comes from the Bay of Bengal and that which comes from Bombay, and therefore it is not unoften that we find them suffering from the vicissitudes of the monsoons. There is one tract in the United Provinces, namely, Bundelkhand, which is specially unfortunate in this respect, and it is there that almost every alternate year there is a complaint against the vagaries of the monsoons, and rainfall there is often very scanty. The consequences of the present famine cannot be better described than in the words of the Hon'ble Finance Minister himself. In his speech of the 2nd March delivered by him when presenting the Financial Statement, he said 'In the United Provinces the worst tract comprises an area of 46,000 square miles and 19 million people, and may be taken to include the whole of the Agra, Rohilkand and Bundelkhand Divisions and parts of the Allahabad and Lucknow Divisions The failure of the monsoons in the parts most affected in this tract is worse than the famine of 1907-08.'

"The figures given in the Gazette of the United Provinces published on the 28th February, show that there are 95,188 people on relief works, and

on the test works their number is 23,058. From these figures the seriousness of the situation in the United Provinces can more readily be judged than described. Our provinces, Sir, have been visited with famines successively. The first one was in 1877 which is now a matter of history, then came another in the year 1896-97 when Sir Antony McDonnell (now Lord McDonnell) was our Lieutenant-Governor. That was a famine of a very severe type. Then came a third one in 1907, in Sir John Hewett's time, and scarcely more than six years have passed and we have another which has been so well described by the Hon'ble Finance Minister in his speech already quoted.

"We are thankful to the Government of India for the measures of relief which they gave to the United Provinces in the past famines and also for what they are doing in the present, especially by advancing large sums for distribution among agriculturists as *takavi*. But there is one matter in connection with the provision for famine which requires special consideration. We find that in the Finance and Revenue Accounts of the Government of India for the year 1912-13 the amount allotted to the United Provinces under the head of Reduction or avoidance of debt for assurance against famine is 4½ lakhs of rupees a year, and the same amount I have found in the Finance and Revenue Accounts of the previous years also. I am told that this arrangement came into force from the year 1907-08. The inadequacy of this annual allotment will be very well established from a consideration of the large population of the province, which is more than 47 millions, and the treatment which is accorded in this respect to other provinces with smaller populations. The Central Provinces and Berar, with a population of nearly 14 millions, get Rs 12,80,000 a year as given at page 131 of the said Accounts. The Bombay Presidency, with a population of about 19⅔ millions, gets Rs. 13,70,000 a year. This figure also I have taken from the same page of the Accounts.

"The amount required to meet the expenses of the present famine, so far as it has been estimated by the Local Government, comes as follows. The total expenditure proposed on famine relief during the current financial year is Rs. 20 lakhs, out of which Rs. 19,47,000 falls on Imperial and Rs. 53,000 on Provincial funds. Of course by Imperial fund is meant the money which is given by the Government of India from the Famine Insurance Fund. The estimate for the ensuing year is put at Rs. 35 lakhs, the Imperial share of which is Rs. 19,75,000 and the Provincial is Rs. 15,25,000. The above represents only the expenditure on direct Famine relief. Indirectly, provincial expenditure will also be largely increased under various heads, more especially under jails and the grain compensation allowances and also for maintaining the special staff for the distribution of *takavi*. So, Sir, in this way the amount which is spent on Famine is much increased by the expenditure on other indirect heads, and the items under the latter class come from provincial funds. The amount which I have given, namely, 12½ lakhs, if accumulated for 4 years, will give the provinces a capital of 50 lakhs, and taking what has happened in the past, the interval at which a famine occurs, namely, 5 or 6 years, there will be a sufficient insurance to meet the expenditure on the coming famine. Hence in this Resolution I have moved that the annual grant should be increased from 4½ lakhs to 12½ lakhs. I know that the system on which the calculation of figures given at page 131 of the Accounts is made, is a complicated one, and perhaps it would require mature deliberation on the part of the Hon'ble Finance Member and his Department to arrive, at a subsequent time, at some proper solution of the difficulty. But I think it was my duty to represent to this Council the insufficiency and inadequacy of the annual allotment to the United Provinces, and hence I have moved this Resolution. With these words I commend the Resolution to the acceptance of the Council."

The Hon'ble Raja Kushal Pal Singh:—"Sir, in the United Provinces, the most noticeable feature of the last two decades has been a series of years of drought and scarcity. The average duration between the years of deficient rainfall has been 4 years. Owing to the frequency of famines which have afflicted our provinces the grant for insurance against famine has been found, as has been pointed out by the Hon'ble Mover, to be altogether inadequate. I therefore associate myself with the request made by him for raising it to 12½ lakhs a year."

The Hon'ble Sir William Meyer:—"Sir, I have been wondering a little to-day whether we are sitting in the Imperial Legislative Council or in that of the United Provinces, because nearly all of the Resolutions appear to ask us to do things which one would naturally expect Hon'ble Members to ask the Lieutenant-Governor there to do. However, by way of a change, my Hon'ble friend Mr. Sri Ram has produced a Resolution which the Governor General in Council may legitimately be called on to consider.

"As my Hon'ble friend has said, the arrangements in regard to the matter he mentions are rather complicated. However, I can put the gist of the position before the Council, I think, in a few words. Prior to 1907-08, famine charges were wholly Provincial. Of course when the provincial balances were utterly exhausted, when provincial expenditure of all but the most necessary description had come to a standstill, the Government of India had to intervene and help, but till then the whole loss fell on the Provinces. In 1907-08, an important change was made, for which I venture to take a little amount of personal credit, as I was Secretary in the Department at the time and helped to initiate the scheme. First of all we said that famine expenditure should hereafter be shared half and half between the Central and the Local Governments. Secondly, we said—'we will do more than this, we will make up for you a sort of insurance fund; we will put aside to your credit so much a year from Imperial revenues, which will gradually accumulate if times are good and from which you will draw as a famine fund when they get bad. And until that fund is exhausted you won't have to spend *any* money on direct famine relief from provincial revenues'. I think even my Hon'ble friends from the United Provinces have to admit that that was a very material advance on the previous state of things, and I tried to bring out in my speech the other day how very materially the United Provinces, which unfortunately is the part most stricken by famine to-day, has profited. During this year and the next together provincial revenues will only have to find about 15 lakhs of rupees in direct famine relief, and incidentally, and it is a very important point, the Province has had a minimum amount of land revenue guaranteed to it. 'But', says my Hon'ble friend, 'this 4½ lakhs which you give my province every year from your insurance fund is not enough; you must give us more.' And from what he says he does not seem quite to understand the way in which these contributions were fixed. He says that because the Central Provinces is much less populous than the United Provinces, it is monstrous to give the Central Provinces more insurance money for famine relief. This is news to me, Sir. I have never before heard that famine mortality and famine distress are in strict accord with population. In that case the greatest ravages of famine would obviously be in the delta tracts of Bengal and Madras. What we did in 1906-07, when we were working out the scheme for 1907-08, was this. We took a total figure of 37½ lakhs, which was just half of what we previously allotted to Reduction and Avoidance of Debt, and we found that that sum was also just about half the average annual amount of famine expenditure. We then took the average famine expenditure in the different provinces for a period of 25 years, between 1881-82 and 1905-06, and we distributed the amount accordingly. In the United Provinces, the average annual expenditure was 8·64 lakhs, and as I said we were able to provide that about half this should be provided from this special allotment, and so their strict proportion would have been 4·32 lakhs. We gave them 4½ lakhs. That, I think, will show the Council that we went on principles of as strict equality as we were able to do.

"However several years have passed since then. Of late years the United Provinces have suffered beyond the average. In these 7 years various other circumstances have happened which may justify a reconsideration of the present allotments. It is, as I have said, a complicated matter which cannot be taken up at once, but I promise my Hon'ble friend—in fact the thought had already occurred to me to do it—that in Simla next season I will carefully consider in what respect these arrangements may possibly be revised, and if, having regard to justice and equity all round, I find myself in a position to do more for his Province, nobody will be more pleased than I. I think my Hon'ble friend must be prepared to accept that. I cannot pledge myself further; and he

must also remember that the matter is not entirely in the hands of the Government of India. The Secretary of State approved of the existing arrangements, and any modifications will have to be referred to him."

The Hon'ble Rai Sri Ram Bahadur:—"Sir, I am much obliged to my Hon'ble friend, the Finance Member, for giving me an assurance that the matter of the allotment made under this head to the United Provinces will be taken into consideration by him. As regards the remark made by him in the opening that it appears that we are sitting, as it were, not in the Council Chamber of the Government of India but of the United Provinces, because it is the needs of those provinces alone which are so continuously pressed here, I think, Sir, that I may be permitted to make the observation that that fact shows the reality of the wants of our Province; otherwise we would not have heard all the Resolutions moved and the speeches made with regard to the United Provinces alone. That establishes the real need of our Province. However, Sir, the assurance which my Hon'ble friend has given satisfies me, and I will ask your permission to withdraw the Resolution for the present."

The Resolution was, by permission, withdrawn.

RESOLUTION *RE* INCREASE OF GRANT FOR EDUCATION AND SANITATION.

The Hon'ble Pundit Madan Mohan Malaviya:—"Sir, I beg to move—

That this Council recommends that the grant for Education and Sanitation be increased by £640,000, and that the unallotted surplus of £1,280,000 be reduced by that amount.

"The surplus, Sir, which the Hon'ble Member wants to reserve in his hands this year is £1,280,000. He has said on page 7 of his Budget speech that 'the Imperial surplus which we hope to obtain in 1914-15 is £1,280,000, and in present circumstances it is desirable to have an unallotted balance of about this amount to assist us in our heavy capital commitments.' Now, Sir, the surplus comes out of the ordinary revenues of the year. The capital commitments which the Government wants to make are generally made under the heading of capital expenditure for which a great deal of borrowing is done. To take away from the ordinary revenues of the year a large sum like £1,280,000 is, I submit, wrong to the people. Out of the ordinary revenues a crore of rupees is provided in the Budget for the expenditure on Delhi, and it is again from the ordinary revenues that £1,280,000 is to be reserved in the hands of the Government, in order largely, I won't say wholly, that it may help in the heavy capital commitments which the Government have to make. I submit, Sir, that the revenues and the surplus derived from the revenues should, in the first instance, be applied towards measures which improve the welfare of the people. For increased grants under the heading of Sanitation and Education which the Hon'ble the Finance Member, I am happy to find, describes as 'among the primary objects of the policy of Government,' he has been able to provide only £100,000. The insufficiency of that amount has been apparent to the Council in the discussions that have taken place even this morning, in the reply given by the Hon'ble Mr. Porter to the prayer that there should be more money allotted for sanitation, and we may be sure that on the Resolution about education the same reply will be repeated. We are told that there is not money enough in the hands of the Government of India to make further grants. But, Sir, the needs of education and sanitation are very pressing. This is well known to the Government. If there is a surplus, I submit it is only right that that surplus should go, after reserving a reasonable amount in the hands of the Government, to meet unforeseen contingencies, to disbursements under these two important heads. If my Resolution is accepted, the Government will still have nearly a crore of rupees in their hands as a reserve surplus, and I submit that a crore of rupees should be regarded as sufficient as such a surplus when we bear in mind that the ordinary

requirements of every department of the Government of India and of every provincial Government have been provided for in the estimates before us. I submit, Sir, that having thus provided for the requirements of Imperial and Provincial expenditure on the ordinary scale, it is not right to retain such a large surplus in the hands of the Government of India, and for that reason I recommend that it ought to be cut down by two and that the amount thus saved should be allotted to education and sanitation."

The Hon'ble Sir William Meyer:—"Sir, I think I heard my Hon'ble friend say that we were going to spend from revenues one crore of rupees on Delhi. I should like to ask him where he got that."

The Hon'ble Pundit Madan Mohan Malaviya:—"That is the amount reserved for expenditure on Delhi in your Budget."

The Hon'ble Sir William Meyer:—"Delhi received £700,000 out of a *capital* outlay of about 18 millions, and if my Hon'ble friend had done me the honour to follow the exposition of capital expenditure which I gave in my speech on the Financial Statement he would have seen that the capital expenditure account, though it gets some assistance from current revenues in the shape of the unallotted surplus, is mainly met from other sources—chiefly borrowing. Therefore I entirely repudiate his statement that the Delhi outlay is met from current revenues. If you want to discriminate between the objects of capital expenditure, the item which may be considered to be specially financed in part from current revenues is railways. And seeing that railways will yield us next year a net profit of £3·9 millions, I think it is exceedingly reasonable, from that point of view, that a sum of about 1⅓rd millions should be transferred, as one may say, from the revenue to the capital budget in order to assist in the development of the railway estate—"

The Hon'ble Pundit Madan Mohan Malaviya:—"Do I understand my friend to say that this one crore that is set apart for expenditure on Delhi will be obtained by borrowing, and that it is not met out of the ordinary revenues?"

The Hon'ble Sir William Meyer:—"It is not met out of the ordinary revenues."

The Hon'ble Pundit Madan Mohan Malaviya:—"Will it be met by borrowing?"

The Hon'ble Sir William Meyer:—"There will be no special loan for Delhi. But if my friend will study the budget estimates—I ask him to do that before he makes criticisms—if he will study the budget figures, he will see that Delhi accounts for about $\frac{1}{28}$th of the capital outlay for the coming year, and he will see how the capital outlay for the coming year is financed.

"To a certain extent the capital outlay of the current year is financed from the surplus. My friend has realised that himself, because he has brought forward this Resolution on the subject. But if he looks at the large extent to which we borrow, he will see the gross unfairness of saying that the grant for Delhi is provided from current revenue.

"Then he talks as if the whole expenditure on education and sanitation for next year was £100,000. I have shown in the figures in different parts of the Financial Statement that the £100,000 is the special addition we are making from Imperial Funds—"

The Hon'ble Pundit Madan Mohan Malaviya:—"I did not say so."

The Hon'ble Sir William Meyer:—"It might have been inferred from what the Hon'ble Member did say."

(Further interruption from the Hon'ble Pundit Madan Mohan Malaviya.)

The Hon'ble the Vice-President:—"Order, Order."

The Hon'ble Sir William Meyer :—"The Hon'ble Members from the United Provinces appear entirely to forget that the main object of the provincial settlements was to give to the Provinces resources of their own for heads of expenditure which they had to meet. Sanitation and education are primarily matters of provincial expenditure. The Government of India, under the auspices of our Vice-President, have indeed come most liberally to the assistance of the Provinces, and if the total expenditure is looked at—I analysed it in my Financial Statement speech—it will be seen how enormously the expenditure on Education and Medical has increased, mainly through special grants by the Government of India. I do not, however, accept what appears to be my Hon'ble friend's view that the financial settlement of the United Provinces is made just to keep them in pocket-money so to speak, and that any increased expenditure under any head of administration is ultimately for the Government of India to meet.

"Nor does my friend say whether the amount he proposes to allot is recurring or non-recurring. Perhaps he would kindly enlighten me on the point. Is it £640,000 recurring or non-recurring?"

The Hon'ble Pundit Madan Mohan Malaviya :—"I did not say recurring."

The Hon'ble Sir William Meyer :—"Then I assume it to be non-recurring."

The Hon'ble Pundit Madan Mohan Malaviya :—"For the present."

The Hon'ble Sir William Meyer :—"For the present it is to be non-recurring. Well, if my Hon'ble friend will again study the figures that I prepared, he will see that the Provinces are in a position in which they cannot yet spend the amount of money already placed at their disposal. They have huge balances in hand, and even if they spend the full amount they anticipate next year, they will still have nearly two millions remaining from the Government of India's grants. Is it then a practical proposition that these swollen balances should be further increased by £640,000; for that is what the suggestion comes to.

"Then, apart from that, it is suggested that we should reduce the surplus by £640,000. Well, what would be the result of that? That my Hon'ble friend considers the remaining £640,000 a sufficient contribution from the revenue to capital outlay for the coming year. I beg respectfully to differ from him *in toto*. I gave the Council a full exposition of the difficulties we had in facing the capital outlay of the coming year, in keeping up a proper and adequate expenditure on railways and irrigation, and I pointed out that, though we were borrowing to a much larger extent than we have done before, we can no longer reckon on the previous assistance we received from abnormal balances, and we have to face that position. I am not giving more from the surplus than we have given in recent years, and I consider that it is a very moderate amount to give, seeing that it amounts only to one-third of the amount of profits from Railways only. As I said in my Financial Statement speech, I think it may very well be claimed that a part at least of the profits from Railways should go to the development of the Railways of the State, a measure which is also for the benefit of the people. I need not repeat what I said on that point. Therefore, if we were to cut this surplus down to one-half, something would have to disappear from the capital outlay of that year: Railways would have to be curtailed or irrigation works would have to be curtailed; something would have to be done, and that my Hon'ble friend does not condescend to bother about.

"Further, I beg to point out that the circumstances of this year are difficult. We have had a partial failure of the monsoon. I have estimated—as one must estimate in my position—for a normal monsoon next year; but the monsoon may be abnormal. There may also be other things besides famine; other unexpected calls upon us. It is always prudent for the Government of India to have a

considerable surplus in hand. As I have said, in normal years that surplus goes into the capital account. Suppose however the abnormal happens, suppose we have a bad famine say, then we have this to fall upon; because although it is bad to reduce capital expenditure, it is better to do that than to increase taxation, which is really the other alternative. We are not like the Home Government, which can suddenly issue Treasury Bills or resort to other momentary expedients. The Government of India have to frame their estimates with prudence and to keep a considerable reserve against unforeseen circumstances, and for that reason I am quite unable to adopt my Hon'ble friend's proposal. I want this unallotted reserve for a double purpose—first of all, if the monsoon is normal, to hand over to the capital outlay; and, secondly, if the monsoon is abnormal, to have as a reserve against the unkindness of Providence."

The Hon'ble Pundit Madan Mohan Malaviya :—" Sir, I fear that I have offended the Hon'ble the Finance Member by saying that the expenditure for Delhi was provided out of ordinary revenues. My friend has explained that it is not entirely met out of ordinary revenues, but that it is provided for under the heading of capital expenditure which has to be met only partly out of revenues. If that satisfies my friend's official conscience that he is fair and that I was unfair in what we have said, I have nothing more to say to him. It seems to me, however, that when a certain sum has to be provided for capital expenditure which includes expenditure on Delhi, partly by borrowing and partly out of the surplus of the year, it cannot be said that part of the expenditure provided for Delhi will not be met out of ordinary revenues—"

The Hon'ble Sir William Meyer :—" If you take the sum, the proportion is 1 to 26."

The Hon'ble Pundit Madan Mohan Malaviya :—" My Hon'ble friend says it will be in the proportion of 1 to 26. Be it so. What I put to the Council and to my Hon'ble friend is this. If the expenditure for Delhi is not to be met by raising a special loan for it, and if you provide that it shall come out of the capital expenditure which you have provided for next year—towards which the surplus of the year is to go—it does not lie in the mouth of my Hon'ble friend to say that the expenditure will not be met out of the surplus—at any rate, to a certain extent. The surplus of the year is, in the words of my Hon'ble friend, a reserve partly to meet capital commitments and partly for other purposes. I will quote again my Hon'ble friend's own words. He says: 'The Imperial surplus which we hope to obtain in 1914-15 is £1,280,000, and in present circumstances it is desirable to have an unallotted balance of about this amount to assist us in our heavy capital commitments.'

" That is the first consideration put forward. Then the Hon'ble Member goes on to say: 'Such a surplus also serves the purpose of a reserve against unforeseen contingencies, seasonal or otherwise, the occurrence of which might otherwise embarrass us.' This is a secondary consideration held in view. I do not object to such a reserve surplus being kept in hand as may be necessary to meet unforeseen contingencies. All that I object to is, that a large part of the surplus should be kept in hand in order to help towards meeting 'heavy capital commitments.'

" Sir, the Hon'ble the Finance Member seems to be somewhat sore on the question of provincial settlements; because even in the present discussion he goes back to that question, and argues that the burden of meeting charges for sanitation and education primarily rests upon the Provincial Governments. It should hardly be necessary to say that under the existing provincial settlements the Provincial Governments are able to meet expenditure on sanitation and education up to a certain standard only. When that standard has to be raised, all expenditure beyond that standard has to be provided for by the Government of India.

" The Hon'ble Member has spoken as if in providing for such increased expenditure, the Government of India were giving something to the Provincial

Governments which they were not entitled to. But our whole contention throughout has been that, whenever the Government of India have in their hands a larger sum than what is required for their expenditure, the balance must go back, as it does in practice go back, to the Provinces. It is true as my Hon'ble friend has said that expenditure on education and sanitation has been recently very much increased. We are grateful for it; but it has not yet, Sir, reached one-fourth of the proportion to which it must rise, if the educational and sanitary wants of the country are to be fairly and fully met; and that standard can only be attained if my Hon'ble friend will religiously set apart every available surplus of revenue for these purposes in the years to come.

"The Hon'ble Member has raised another very important question. He says that the surplus which may go towards capital expenditure on Railways will be only ⅓rd of the amount of railway profits; and he has repeated the view, held by some people, that railway profits ought to go entirely towards furthering the construction of railways—"

The Hon'ble Sir William Meyer:—"I never said 'entirely,' I said 'partly'."

The Hon'ble Pundit Madan Mohan Malaviya:—"My Hon'ble friend says 'partly'; I am thankful to him for the correction. I would like my Hon'ble friend to specify what part of the profits he means, because it is difficult to carry on the discussion when the apportionment which my friend would make is not known. But anyhow, I would say this, Sir, that in urging that railway profits ought to go even partly to the further construction of railways, the Hon'ble Member, and those who think with him, would seem to be under the idea that railway construction does not owe anything to the people of India; he and they would seem to forget that the people of India have paid enormously in past years towards railway construction. Taking into account the whole of the profits earned by railways, it will be found that on the 324 millions of pounds which have been invested in railways, the income which is now derived really comes to not much more than 1 per cent of the total outlay; and I do not think, Sir, that there can be any justification for the view that the profits should, even in part, go towards railways except in so far as it may be necessary to carry on the railways, like any other working concern, in an efficient condition, as being the assets of the people. Well, Sir, my Hon'ble friend has concluded by saying that this reserve is held for a double purpose. If the season is normal, it will be handed over towards capital outlay; if the season is not normal, that is, if it is abnormal, then it will go towards meeting unforeseen expenditure. I submit that having regard to all the circumstances, it would be amply sufficient to have one crore in hand, and that there is no justification for keeping two crores in hand, if the wants of the people are to be properly met in other directions."

The Resolution was put and rejected.

RESOLUTION *RE* REDUCTION OF CAPITAL EXPENDITURE ON RAILWAYS.

The Hon'ble Pundit Madan Mohan Malaviya:—"Sir, I beg to move—

That this Council recommends that the provision for £12 millions for capital expenditure on Railways be reduced by £2 millions, and that a corresponding reduction be made in the charges for interest.

Further that the saving thus effected in the interest charges be added to the grant for Education and Sanitation.

"In the speech with which the Hon'ble the Finance Member introduced his Financial Statement he pointed out that the provisions for £12 millions for railway expenditure is somewhat exceptional in the sense that it was only last year that this figure was reached in practice. He pointed out that,

though the Mackay India Office Committee of 1907-08 had recommended that the programme of capital expenditure on Railways should be at £12½ millions per annum, but that this figure has never yet been attained. In paragraph 54 of his speech he said: 'We are extremely reluctant to go back, even temporarily, on a standard once attained, notwithstanding that that standard was only reached this year, and under totally exceptional conditions. Whether it will be possible to maintain it in subsequent years, I do not know and can in no sense guarantee.' I must also warn them, however, of the difficulties implied. This figure involves a large advance on anything we have really been accustomed to in the past. From 1908-1909 to 1912-1913 inclusive, the average budget provision for railway capital expenditure was something under £10 million, and there was no observable tendency in this period to any progressive increase. The actual expenditure—and this is an important point—was considerably less. It averaged only about £8¾ million, the lapses in one year going to swell the budget provision of the next.'

"In the last year, my Hon'ble friend says, the Railway Board were able to fully utilise the £12 million which had been provided for, and he anticipates that an equal amount which he is now budgetting for will be spent in the next year. I submit, Sir, that from the statement made by the Hon'ble Member it is clear that the working up to a programme of £12 million last year was due to fortuitous and abnormal circumstances, and that the Government cannot reasonably expect to finance such a programme except in years when they happen to receive abnormal assistance from balances, *i.e.*, from unexpectedly large surpluses, from heavy lapses, and so on. The Hon'ble the Finance Member has himself pointed out that, in arranging to finance so high a programme, the Government are really advancing the effective standard of railway capital expenditure in two ways. They are, in the first place, raising the budget provision to a level attained for the first time this year, and secondly, they have made arrangements which debar them from counting on any material lapse in that figure.

"I submit, Sir, that in view of the experience to which the Hon'ble Member has drawn attention, it is not right to do this. Bearing in mind the fact that except in the last year the Government have not been able to work up to beyond £8¾ million, and bearing also in mind that the average budget provision for railway capital expenditure during the last few years was under £10 million, it would be wise to limit that provision to £10 million. In the circumstances of the case, there seems to be little justification for advancing the budget for railway programme in the Budget before us in the double way which my friend has mentioned, *viz.*, providing for a programme of £12 million and providing against any material lapse in that figure.

"The objection which I have to the proposal of the Hon'ble Member is this. If £12 million is to be provided for for railway expenditure, the Government will keep an unnecessary large surplus in hand to partly finance it, and it will have to make provision for the interest on the large amount which it will borrow. This means that on the one side greater provision is being made to meet capital expenditure from current revenues, and on the other side a heavier burden is being thrown upon them in the shape of increased charges for interest. The provision for the proposed higher railway programme thus involves a double injury to the people. The Hon'ble the Finance Member has pointed out the difficulty of keeping up to a railway programme of £12 million a year. But even if he can manage to maintain that programme in future years, which I very much doubt, I submit that it is not desirable in the general interests of the people that the programme should be so kept up. It certainly ought not to be kept up, if it can only be kept up, by starving the other needs of the people. With these remarks I beg to commend the Resolution to the consideration of the Council."

The Hon'ble Sir Ibrahim Rahimtoola:—"Sir, it would have given me much pleasure to have supported the Hon'ble Member's Resolution if it had stopped at recommending the reduction of capital expenditure on Railways from £12 millions to £10 millions, without indicating, as he has done, that the amount of capital borrowings contemplated in the Budget should be reduced

and thereby effect a saving in the interest charges for the year. Sir, I feel that, if it is possible for the Government of India to borrow the amount required for railway construction, it is but right that they should be allowed to do so and maintain the standard of capital expenditure on railways.

"Sir, the extension of railways in the country is undoubtedly beneficial in many ways, but there is one point in connection with it to which I should like to invite the attention of the Hon'ble Sir Robert Carlyle, namely, what effect it has upon the domestic economy of the tillers of the soil. It would be interesting to know whether the extensive programme of Railway Construction has had any adverse effect upon the employment of the cultivator outside agriculture and the earning capacity of agricultural cattle used for carrying the produce to the nearest market. When railways are carried to the places where produce is gathered, it must be apparent that the demand for labour and carts for the movement of the crops would be greatly reduced, manufactured goods would by these means reach such places in larger quantities and would sell more cheaply than before, and the cost of living would increase.

"What is the actual effect of all these changes on the domestic economy of the agriculturists is a question which, I think, requires careful investigation.

"Sir, as I have already said I cannot join in advocating any reduction in the amount proposed to be borrowed for capital expenditure on railways. I cannot therefore support in its entirety the Resolution which the Hon'ble Pundit has placed before the Council. I do contend, however, that the system which has been introduced of utilising revenue balances and portions of railway profits towards capital expenditure on the construction of railways is not sound finance. Railways are productive public works; they yield a profit after meeting all the charges for interest on borrowed capital. The question then is whether the present practice of utilising our revenue surpluses for the construction of capital works is sound, and is to the best advantage of the people of this country. It is an admitted canon of public finance that the State is not entitled to take in the form of taxation more money from the people than is actually required for the purposes of administration. If that principle is followed, it will be apparent that the Government policy of financing railway construction out of revenue balances is unfair to the present generation. During the ten years preceding 1908-09, there were surpluses, while in that year there was a deficit of about 6 crores.

"In the following year, *i.e.*, in 1909-10, proposals were put forward and carried in this Council for the imposition of fresh taxation which has resulted in an additional revenue of about one million pounds. If the policy of using revenue balances towards capital expenditure had not been followed, there would have been no occasion for this additional taxation. If we examine the accounts carefully, we find that the additional revenue which has been obtained by the imposition of this extra taxation has practically in every year gone towards capital expenditure on the construction of railways. Now, Sir, I think it will be admitted that it is not right that taxation should be maintained at a high standard in order that a substantial sum of money may be found from revenue sources for capital expenditure. The Hon'ble the Finance Member in his reply to the previous Resolution stated that this year, in addition to the revenue balances of last year, the amount appropriated in the Budget for capital expenditure was about one-third the sum which was expected as profits on railways. Now, Sir, that leads me to another point, and that is, whether it is correct to designate this income as profit on railways, or whether it is not in reality indirect taxation on the people. Receipts from railways, posts and telegraphs in Imperial finance and from water and *halalkhor* taxes in municipalities are payments for services rendered. The governing principle in all such cases is that the body charged with the duty of providing such services and authorised to levy taxation for the purpose shall not obtain a sum in excess of the amount required for meeting the charges for rendering these services. If that principle is followed railways should show no profits. Be it remembered that the State has a practical monopoly of the railways in India, and if they are so inclined Government can, by raising rates for the carriage of goods and passengers, raise the revenue from this source to an excessive figure; this income may be called profits, but to my mind it is

clearly obtained by way of indirect taxation imposed upon the people. If that is conceded, then it obviously follows that the portion of the railway profits which is proposed to be devoted to capital expenditure is current revenue, and ought not to be utilized for capital purposes. The whole question to my mind requires to be carefully considered. By reducing the amount of capital provision of £12 millions in the Budget to £10 millions, we ought to that extent at least prevent revenue receipts from being utilized for capital outlay. The amount so saved if not required for revenue expenditure should be either kept as a separate reserve to equibalance the years of surpluses and the years of deficits, and thereby obviate the necessity of imposing fresh taxation or remitted by way of reduction in taxation. If the latter course is adopted, the amount would remain with the tax-payers as a reserve to be taken from them when the needs of the administration may require it. I am sure, it will be apparent to the Council that it is unreasonable that taxation should be maintained at a high standard in order to finance capital expenditure on railways. For this reason I submit that, if Government is unable to borrow the required amount, it would be better to reduce the Budget provision of capital expenditure on railways from £12 millions to £10 millions rather than utilize revenue receipts for the purpose.

"I should like in this connection to invite the attention of the Council to an interpellation which I put on railway matters in Simla.

"My question was :—

Out of the total amount invested by Government in Indian Railways, will Government be pleased to state how much has been found from borrowings and how much from current revenue?

"The answer I received was as follows :—

In regard to item (Z) the total amounts specifically charged to revenue (mainly on strategic and protective railways) and met from borrowed funds, respectively, will be found on pages 249 and 252-253 of the Finance and Revenue Accounts of the Government of India for the year 1911-12.

The capital expenditure on ordinary railways is met from a variety of sources, *e.g.*, loans, post office, Savings Bank Deposits, surplus revenues, etc., and it is not possible to say with precision *to what extent the current revenues have contributed to this expenditure in the past.* The resources from which the capital expenditure is derived were not classified until 1905-06. From that year onwards, however, the information will be found recorded at pages 252-253 of the Finance and Revenue Accounts already quoted.

"Sir, in looking over the financial accounts to which I was referred, I find that the total expenditure indicated there on railways (it is a statement which includes railways and irrigation) is put down at £202 millions, out of which £182 millions are stated to be found from capital and about £20 millions from revenue. But, Sir, when we know that the total capital expenditure on railways is £334 millions, the figures quoted will have to be supplemented in order to give us a correct idea of the actual proportions. This much is however certain that very large sums of money have been found in the past from revenue receipts for capital expenditure. We are therefore entitled to ask whether the policy of maintaining taxation at a figure largely in excess of the actual requirements of revenue expenditure for the purposes of administration is one which should be continued, or whether even at this late date a change should not be made in such a policy in order that undue burdens may not be imposed on the present generation. I do not think it can be seriously contended that the present generation should be required to pay not only for all the needs of the administration, but also for providing out of revenue funds such reproductive permanent public works as railways and canals.

"Sir, the question is such that one is tempted to speak at considerably greater length, but I have tried to make my point clear briefly within the time allowed, and I trust that the Hon'ble Member will enlighten us on the points submitted by me for the consideration of this Council."

The Hon'ble Sir Robert Carlyle :—"Sir, I rise to speak only to one point raised by the Hon'ble Member who has just spoken. My experience is that the construction of railways is for the benefit of the cultivator, and that it leads not to a decrease, but to an increase in carting."

The Hon'ble Raja Kushal Pal Singh:—" Sir, Sir Ibrahim Rahimtoola desired to be informed what the tillers of the soil think about the expansion of railways. Coming, as I do, from a part of the country which has been seriously affected by famine, I can bear testimony to the value of railways as an agency for mitigating the severity and intensity of famine. Had it not been for the railways, the loss of cattle in the district of Agra would have been fourfold, and the distress among cultivators would have been much greater than it is at present."

The Hon'ble Rai Sita Nath Ray Bahadur:—"Sir, it is a matter of deep regret that I should not be able to see my way to support my Hon'ble friend's Resolution which is indeed of a noble character, in the sense that the Hon'ble Mover asks that the railway grant be reduced by 2 million pounds, and the savings that would be effected in interest charges should be utilised in raising the grant for education and sanitation which are indeed very desirable objects worthy of receiving additional bounties. But what strikes me, as it would strike other Hon'ble Members of this Council, is that a serious proposal should be made that the railway grant should be reduced. If my Hon ble friend had been a merchant and experienced the hardship and loss, not to speak of difficulties and inconvenience, that are every year sustained and suffered by the mercantile community, especially by the jute and coal merchants, on account of the shortage of wagons, my Hon'ble friend would not, I am sure, make such a request. The cry everywhere is for wagons and more wagons, and it is accentuated in the height of the jute season, especially when there is a sudden rise in the price of jute, when every attempt is made to move jute to Calcutta. My friend has not seen the unique spectacle of several thousands of bales of jute stacked on the damp and sandy *chur* lands of the river Padma exposed to sun and rain, nor heard the cry then raised for wagons. The sufferers are mostly Indian merchants and traders, and the same complaint is heard on the East Indian Railway line and comes from coal merchants and colliery owners who, for want of wagons, cannot keep up their engagements. Consequently the cry has been repeated year after year that there should be more wagons, more railways and more feeder lines, and I do not go too far when I say that it is the present network of railways which has contributed so much to the expansion of trade and commerce, and it is commerce alone which has materially contributed to the prosperity of this country as a whole. I regret therefore that, as a merchant, I cannot give my support to a proposal which would go to handicap commerce. Personally speaking, being largely interested in an inland steam navigation company, I would like that there should be no addition to the Eastern Bengal State Railway, but that is not the proper view to take, especially as I come here as a representative of the mercantile community.

"Then there is another aspect of the question, whether the whole of the 12 million pounds should be applied solely to the construction of railways, and whether a part of it should not be utilized in improving the natural watercourses of the country. In other countries, and especially in European countries, huge sums of money have been spent for improving the natural watercourses, but in this country unfortunately it is generally the case that the Railway Department views with a jealous eye the natural watercourses of the river, and as such very little attempt has hitherto been made to keep open these rivers which are gradually silting up. My suggestion is that out of the 12 million pounds allotted for the construction of railways, a portion should be utilised for the improvement of watercourses. However I regret I cannot give my support to the Resolution."

The Hon'ble Mr. Clark:—" Sir, I hope my Hon'ble friend Pandit Madan Mohan Malaviya will forgive my saying that he seems to me to take a somewhat shortsighted view of railway finance. His proposal is that the provision for capital expenditure on railways in the ensuing year should be reduced by £2 millions, and that the interest charges saved in that way should be devoted to education and sanitation. Now the first point I will ask Council to consider is whether, apart from the merits or demerits of a progressive railway policy, this is a sound proposal, even in the interests of education and sanitation

for whose sake it is put forward. It seems to me to overlook the fact that the capital put into railways is reproductive; in other words, it produces for the State a net revenue in excess not only of working expenditure but of the interest charges. No doubt this revenue is apt to fluctuate with climatic conditions, with the state of trade and so on, and it may be pointed out that four years ago the net profits disappeared altogether.

"But that was a very exceptional year. It was a year when we were pushing forward working expenditure with a view to the improvement of open lines, and that forward policy happened to coincide with a bad agricultural year and a fall in revenue. And the mere fact that that expenditure was undertaken, that the improvement of open lines was pushed forward and has been pushed forward steadily ever since, has greatly increased the carrying capacity and consequently the earning capacity of our railways and made it far less likely that there will be a recurrence of such an unhappy combination of circumstances in future. Therefore we can look to the railways to furnish a certain steady revenue to the State. It is quite true that the railway receipts may not show a very large profit over and above interest charges and working expenditure, but they do show a profit, and even a profit of something over 1 per cent is not so negligible as my Hon'ble friend seems inclined to consider. In the current year it represents an actual net revenue, after payment of working expenses and all charges (some of which might properly be debitable to capital), amounting to $4\frac{1}{2}$ millions sterling. This amount goes to swell the general revenues of the State from which expenditure is met for all objects, including these which the Hon'ble Member has been advocating to-day. If we were to adopt his policy, it might enable my Hon'ble Colleague, the Finance Member, to allot more to education and sanitation during the ensuing year, but it would check proportionately the expansion of the railway revenue, which is a far more important matter if we look ahead into the future. That would mean that the expansion of expenditure on such objects as education and sanitation would have to be curtailed in the future, or it would have to be met from other sources, and possibly from additional taxation.

"My Hon'ble friend, Sir Ibrahim Rahimtoola, approached this question from a different angle. He, I gather, is entirely on my side as to the importance of keeping up the development of our railways, but he differs as to the means by which we should raise funds for our capital programme, and he is disposed to support the Resolution in so far as it proposes a reduction of the capital programme from £12 millions to £10 millions. He thinks we should not take any part of the revenue surplus for use for capital purposes. The revenue surplus budgetted for in the ensuing year amounts to £1,280,000, and one obvious criticism of his proposal, as, it stands, is that a reduction of £2 millions would mean, not only not utilising the surplus for capital purposes, but in addition reducing our borrowings by some $\frac{3}{4}$ ths of a million. But—

The Hon'ble Sir Ibrahim Rahimtoola :—"Part of the surplus also."

The Hon'ble Mr. Clark.—"But the real weakness of the Hon'ble Member's position is that his argument rests practically on the assumption that we can borrow as much as we please. That is not so. Although our railway capital is reproductive, we cannot borrow to an unlimited extent; it is an error to suppose that we can substitute further borrowing for the amount which is now put into the capital account from the revenue surplus. Therefore, if my Hon'ble friend's view were accepted, what it would really mean would be a reduction in our capital programme, a reduction of the expenditure on railways which, as he has told us, he does not wish to see take place. My Hon'ble friend the Finance Member has already explained that it is necessary to have this large surplus which serves a dual purpose. It is a guarantee against famine and the fluctuations to which we are subjected in this country by the climate. It is a guarantee against that on the one hand, and on the other hand, when we realise our surplus, when nothing does go wrong, we are able to utilise it for productive capital purposes. As far as I follow the Hon'ble

Sir Ibrahim's argument, he would like, when we realise a surplus, to bank it and use it for future generations in some way which he did not very clearly explain. I think it is far better to place it, as we do, into our railway expenditure, which enables us to utilise the revenue for various purposes, including the purposes which the Hon'ble Pundit has been advocating to-day.

"I need not, Sir, after what has been said by the Hon'ble Sir Ibrahim, dwell at any great length on the urgent necessity of pushing forward the improvement of our railways. Hon'ble Members will remember the acute congestion of the last two cold weathers preceding this present season and the harm that was done. That means loss to all classes of the community, not only to well-to-do traders and wealthy men of business, or to great commercial corporations, but losses also to the indigent *rayat* and agriculturist. It means that in periods of famine or scarcity, such as the recent scarcity in the United Provinces, there is danger of railways being blocked and the much needed supplies of fodder being delayed. Great improvement has been effected in the last two years, but at the same time there is room for yet further improvement, as I shall explain more fully to the Council when I introduce the Railway Head of the Financial Statement. Quite recently, for instance, there has been considerable congestion in certain areas owing to the scarcity in the United Provinces. Again, not only is money wanted urgently for railways, but it can be spent and it can be spent both quickly and efficaciously, and so as to produce almost immediate results. Last year we over-spent by a slight amount our capital grants, and as my Hon'ble Colleague explained in his Budget speech, there is no doubt that we shall be able to spend up to our capital grants in future. The money therefore will not be wasted. Nor can it be said that Government has been backward in supplying funds for education and sanitation. My Hon'ble Colleague the Finance Member showed in the Financial Statement that since 1910-11 the scale of expenditure under Education and Medical has practically doubled, and there has also been an increase of 64 per cent under Civil Works, much of which is due to the construction of schools and other works of the kind. But at the same time there has been undoubted difficulty about spending the grants which have been provided. I need not dilate further on that point as my Hon'ble Colleague has already dealt with it in replying to an earlier Resolution this morning. There is no question, of course, of setting up railways against education. The Government of India have equal care for progress in either direction. But at the present moment there is a specially urgent case for expenditure on railways, and the funds provided can be spent quickly and efficiently on schemes which are alike beneficial to the people of this country and to the revenue from which the annual grants for education and sanitation are derived. Our capital expenditure is not prejudicing, as the Hon'ble Member would seem to imply, the provision of funds for educational and sanitary progress. The provision made for Education and Medical for the coming financial year shows increases of three-quarters of a million sterling and of half a million sterling respectively over the revised estimates for 1913-14.

"This is what the Hon'ble Pundit calls starving education and sanitation. It is very doubtful whether, if the Hon'ble Member's Resolution were accepted, the additional sums available could be spent on the purposes which he advocates, whereas the capital in question can be utilised immediately for much-needed reproductive expenditure on our railways. In these circumstances, Government cannot accept the Resolution."

The Hon'ble Pundit Madan Mohan Malaviya :—"Sir, I want in the first instance to correct the impression, if such an impression exists anywhere, that I am altogether opposed to the Railway Programme. The motion that I have put forward before the Council is that the provision for capital expenditure on Railways should be cut down by 2 million, and not that it should be obliterated from the budget. I regret also to find that the reasons which I have urged in support of the motion have not been properly appreciated. I have drawn attention to the fact mentioned in the speech of the Hon'ble the Finance Member that, except in the last year, the Railway Board have never yet been able to utilise even 10 million in any past year. The Hon'ble Member has stated that from 1908-09 to 1912-13

the average budget provision for Railway Capital expenditure was under 10 million, and the actual expenditure averaged only about 8¾ million. Taking my stand upon these figures, I have suggested that the provision for railway capital expenditure during the next year should be only 10 million, which is much above the actual average of the last few years. Now, Sir, in the view that I have presented, the remarks which have been made about the great utility of railways lose some of the force that might ordinarily attach to them. I have only drawn attention to the fact that an unreasonably high Railway programme entails an unjustifiable drain upon the current revenues. It is true that Railway expenditure is met mostly from borrowed capital, but it is true also that it is met partly from current revenue, and provision has to be made out of the same revenues for interest on the increased Railway debt. And it is for these reasons that I have urged that the budget provision should be cut down by 2 million.

"The Hon'ble Mr. Clark has dwelt upon the fact that railways yield an income. I do not deny it. My friend thought that I made somewhat light of the fact that there was an income of only a little over 1 per cent on our total capital expenditure on railways from the beginning to this day I did not make light of it. I am glad to find that the railway receipts are bringing us more and more every year. Indeed I hope to see much more and more coming in to us, particularly when railway companies cease to manage our State Railways, and the sum of nearly one crore which they receive as surplus profits at present is secured to the people by the Government taking the management of all State Railways into its own hands. But what I do submit is that the fact ought to be borne in mind that the needs of the people in matters which affect their vital concerns more immediately than the railways, require a larger provision from current revenues than is made at present, and that providing for a high Railway Programme which will necessarily lead to a stinting of the growth of expenditure in other necessary directions, is wrong and essentially unsound. It is hardly necessary to say that the most important of these are education and sanitation.

"The Hon'ble Mr. Clark has dwelt, and rightly dwelt, upon the great advances which have been made in both these directions by the Government of India—in the direction of Education and Sanitation. Every one of us rejoices in this and sincerely thanks the Government for it. But what I do say—I repeat it—is that the total amount which has been granted and which is being spent by the Government on these beneficial purposes is still not more than one-fourth of what should be spent, in order to secure to the people the full benefits of universal education and the full benefits of such sanitation as, living under the enlightened Government that they do, they are fully entitled to have. I submit, Sir, that that figure will not be attained except by religiously setting apart every pice from the current revenues of the year which can be so set apart. I object to the present provision for the railway programme because it makes it impossible for Government to attain to that standard of expenditure. I quite admit that there is absolutely no question here of railways *versus* education. Nobody in his senses would imagine raising such a question. The only question is whether, when you are financing railways partly from borrowed capital and partly from current revenues, you should not so limit your expenditure, that it should not trench unduly upon current revenues. The Hon'ble Rai Sita Nath Ray Bahadur felt somewhat anxious that if my Resolution is accepted the supply of wagons might be checked and that trade might suffer. As the Hon'ble Mr. Clark has pointed out a great improvement has been made in this matter during the last two years. There has been a very large amount spent in increasing the supply of wagons, and if £10 million is provided for every year, my friend may rest assured that it will help to provide all the wagons that trade demands. But even when money is available, you cannot always have all the wagons you want in one year. So that is no reason why other important interests should not receive the consideration that they deserve, and should be sacrificed at the altar of the anxiety of trade. I said that a railway programme of £12 million should not be kept up by 'starving' Education and Sanitation. My Hon'ble friend has taken exception to that word. I did not mean to say that Education and Sanitation were being utterly starved. All

that I meant to say is that they were not receiving the amount of support from current revenues which they are entitled to receive in order that the people should receive the fullest measure of advantage from them. I regret, Sir, that I cannot withdraw my Resolution. I think that it is right that the programme for capital expenditure on railways should be reduced by £2 million, and I submit the Resolution to the Council for its consideration."

The Resolution was put and rejected.

The Hon'ble the President :—"The next Resolution will be taken on Monday morning. The Council will now adjourn to Monday, 11 o'clock."

The Council adjourned to Monday, the 9th March, 1914.

W. H. VINCENT,

Secretary to the Government of India,
Legislative Department

DELHI :

The 13th March, 1914.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 to 1909 (24 & 25 Vict., c. 67, 55 & 56 Vict., c. 14, & 9 Edw. VII, c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Monday, the 9th March, 1914.

PRESENT :

The Hon'ble SIR HARCOURT BUTLER, K.C.S.I., C.I.E., Vice-President, *presiding*, and 52 Members, of whom 47 were Additional Members.

FINANCIAL STATEMENT.

FIRST STAGE.

RESOLUTION *RE* INCREASE OF RECURRING GRANT FOR EDUCATION IN THE UNITED PROVINCES.

The Hon'ble Pundit Madan Mohan Malaviya:—"Sir, I beg to move—

That this Council recommends that the recurring grant for [Education] in the United Provinces be increased by 22 lakhs.

"The last Quinquennial Report which has been published shows that there has been in the last quinquennium, *i.e.*, 1907-12, an increase of 2·9 in the percentage of the total population at school in India as a whole. It has been 3·4 in Bombay, 3·1 in Madras, 2·9 in Bengal, 2·0 in the Central Provinces and Berar, 1·9 in the Punjab, 1·6 in the North-West Frontier Province, but only 1·5 in the United Provinces! Of the increase in the total number of schools in the various provinces, Bombay records 22·4 per cent, Madras 12·5 per cent., Central Provinces and Berar 20·8, the Punjab 8·4, Bengal 7: but the United Provinces record a *decrease* of 3 per cent!

"The Hon'ble Mr. Sharp, in his admirably clear review, says that the percentages of the total population at school quoted above fairly represent the educational condition of the different provinces; and with regard to the set-back in the United Provinces he points out that two causes have been partially

responsible for it: one has been contraction of expenditure in certain years, and the other the visitations of plague. But he has also invited attention to what the Lieutenant-Governor of the United Provinces has said on the subject, and I wish to invite the attention of the Council to one passage which occurs there. His Honour the Lieutenant-Governor agrees that contraction of expenditure in certain years and the visitations of plague were partially responsible for the set back in primary education; but His Honour goes on to point out that the most generally operative cause was that the Boards had, in many cases, in their eagerness for the expansion of education, opened a number of schools of their own, or aided schools, and when they came to review their commitments, they found themselves faced with the necessity of neglecting other services in their charge if they attempted to maintain efficiently their new educational enterprises. That makes it clear, Sir, that mainly it was want of funds that was mainly responsible for the contraction which has been noted, and which is very deplorable when contrasted with the progress made in other provinces.

"Looking at the matter from another point of view, we find that in this quinquennium, while the percentage of expenditure in other provinces has largely increased, the United Provinces have not made a corresponding progress. Taking the totals budgetted for the next year—I mean the current Budget—we find that while Bombay budgets for Rs. 1,02,76,000, Bengal for Rs 1,45,43,000, the United Provinces budget for only Rs. 78,25,000 for education. I have asked, Sir, that 22 lakhs should be added to the grant for the United Provinces, because that would just bring us to about a crore. If the addition proposed is made, we shall still be behind Bombay, and much behind Bengal, but we shall be content for the present if we can make an approach to a crore.

"It may be said that the grants for education made during the last few years have very materially improved our position. That is true: they have improved the situation in all the provinces; but as the grants made to the United Provinces in the past were extremely inadequate and illiberal, we have very great leeway to make up, and with all that we have received along with others, we are still very much below the standard of several other provinces, and receive much less than what we should. Looking at the distribution of grants to the provinces during the last three years we find that Bengal, including Bihar, has received Rs. 29,50,000 capital and Rs. 18,21,000 recurring; Madras, Rs. 19,20,000 capital and Rs. 9,90,000 recurring; Bombay, Rs. 14,42,000 capital and Rs. 7,87,000 recurring: while the United Provinces have received only Rs. 17,50,000 capital and Rs 8,53,000 recurring. It is clear from all this, Sir, that we have never yet received our proper share under Education, and the result has been that the Provinces, where, as Mr. Sharp has been good enough to point out in his quinquennial review, Mr Thomason, the Lieutenant-Governor of the Provinces, was foremost in establishing a system of primary education on a large scale—so much so that his example was held up, in the great Despatch of 1854, for the imitation of other Provinces—that those very Provinces are now held up to reproach as being the most backward in education in the whole of the Indian Empire, beaten, it is painful to think, even by the North-West Frontier Province, in the percentage of the total children at school, and of the expenditure on education! I submit, Sir, that it is not right that this complaint of the United Provinces should be allowed to remain unremedied. I do not want to tire the patience of the Council by repeating that we have been making very large contributions to the Imperial Exchequer for the last half century nearly. Neither do I want to tire the Council by repeating what I have said on previous occasions about the great cry for education that prevails in the United Provinces. Even in the last Report on Public Instruction the learned Director points out that evidences of the genuineness of the demand for education are universal, and that the question of expansion is largely a question of funds. His able predecessor in office pointed out a few years earlier that if we spent 80 lakhs a year more on education in the United Provinces, we would

still be far behind the standard of Bombay. I submit that, when the people contribute not only their fair share but liberally towards the Imperial Exchequer, it is absolutely unjust to limit the grant for education to the United Provinces to the figure entered in the Budget, particularly in view of the fact that the Government makes grants on a much larger scale to many other provinces. We keenly feel, Sir, that we are being thus kept out in a large measure of the *sine qua non* of all progress and improvement in every direction, and we therefore come to this Council to ask that 22 lakhs should be added to the grant for education in the United Provinces. I earnestly hope that Government will see their way to accept the Resolution."

The Hon'ble Raja Kushal Pal Singh :—" Sir, the colleges have been taxed to the uttermost to provide for the proper accommodation and efficient instruction of the ever-increasing influx of students.

" In the ' General Report on Public Instruction in the United Provinces of Agra and Oudh for the year ending 31st March, 1912,' the Director of Public Instruction writes, under the heading ' *University* ' :—

The demand for education tends to outpace the supply of the agencies and machinery for imparting it. The rapid rate of increase is fraught with serious problems for the future.

" We require an additional recurring grant of Rs. 1 lakh and 25 thousand for collegiate education.

" Desire for secondary education is equally keen. Although the Government has lately increased the emoluments of teachers to some extent, but in the General Report on Public Instruction, the Director of Public Instruction rightly says, ' it cannot be denied that the rates of pay are still too low.'

" We require an additional allotment of Rs. 2 lakhs a year for raising the pay of teachers in secondary schools.

" We require an additional recurring grant of Rs. 1,00,000 a year for girls' schools.

" For European schools we require an additional recurring grant of Rs. 1,00,000 a year.

" For technical and special schools an additional grant of Rs. 50,000 a year may reasonably be asked for.

" In addition to the above there is the all-important question of raising the pay of the vernacular school teachers.

" Not only should existing teachers be given something more than a subsistence allowance, but the number of teachers needs to be very greatly increased.

" On page 6th of the ' General Report on Public Instruction,' the Director of Public Instruction says,

The salaries of teachers in primary schools have, thanks to a grant of Rs. 25,000 from Government, at least reached the minimum prescribed ; but, as in middle schools, many have small prospect of rising much above it.

On page 7th of the same report, he says,

It is only too true that more funds are wanted in all directions, more especially for primary education.

On page 6th, he says,

The most notable event perhaps in connection with primary education is the suddenly awakened interest in it manifested by the general public.

" I submit that if the eagerness now manifested generally is not to be allowed to die away disheartened a very considerable increase in expenditure on education must be found from some source and that too without delay.

"The subsidiary table II given on page 312 of the 'Report of the Census of India, 1911,' Volume I, shows that among major provinces, the United Provinces are most backward in respect of education.

"The strong appeal made by the Hon'ble Mover for a grant of Rs. 22 lakhs has my whole-hearted support."

The Hon'ble Mr. Sharp :—"Sir, I am sure that there are many in the Council here who naturally sympathise with the Hon'ble Mover in his desire to secure a larger share of funds for education in the United Provinces, but who at the same time will fully realise that the Government of India are not in a position to accept a Resolution of this nature. This Resolution and its fate appear to be closely bound up with some of the Resolutions which the Hon'ble Pandit moved on Saturday last. He has already anticipated, as he told us on Saturday, that this Resolution also will probably be lost; and since those other Resolutions were not carried, it is difficult to see how practical effect can be given to this one. The other sources of revenue by which it can be put into effect not being forthcoming, I hardly think that the Hon'ble Mover would advocate the reduction in the amount of grant already distributed to other provinces so as to give more to the United Provinces, although in his speech he did hint that there was some disparity and that the United Provinces did not benefit to the same extent as did her sister provinces. As regards the figures that he quoted, I think it is necessary to look at the amounts which have been given to various provinces in the total period during which the Government of India have recently been making grants—that is from 1911 to the forthcoming year both inclusive. I find that the United, Provinces, as a matter of fact, has got Rs. 64,66,000 non-recurring grant, against Rs. 64,27,000 in Madras, Rs. 55,77,000 in Bombay and Rs. 38,75,000 in the Punjab; and of recurring allotments the United Provinces receive Rs. 15,84,000 against 18 lakhs in Madras, Rs. 14,68,000 in Bombay and a little over 9 lakhs in the Punjab. I cannot, I fear, accept a comparison with any other particular province; the distribution must be regarded as a whole with reference to all provinces, nor can I allow that there is any disparity in the distribution. The distribution has been made with the utmost care and on principles which cannot be impugned. You, Sir, I am perfectly sure, will shudder to recollect the voluminous notes which preceded the distributions; and even if it were the case, which most emphatically it is not, that any province has been favoured or disfavoured beyond the rest, I am perfectly certain that the United Provinces would not suffer at your hands.

"As regards the question of Budget provision, perhaps it will not be out of place if I invite the attention of the Hon'ble Mover to page 66 of the financial memorandum from which it will appear that the provision made for education in the United Provinces is obscured by certain considerations.

"But even if more money were forthcoming from any source, there is another difficulty. The unspent balance from the Imperial non-recurring allotments for education at the end of 1914-1915 will, so far as can be judged from the expenditure of the past two years and from the Budget of the forthcoming year, be larger in the United Provinces than in any other province, with the exception of Bengal and Bihar and Orissa. It is open to the Hon'ble Pundit to object, as he objected on Saturday last in the debate on a somewhat similar Resolution, that the balances in Bengal will be particularly swollen. I would refer him to the educational statement which was laid on the table at the second stage of the Budget this time last year, which shows that there are special causes which render it inevitable that there should be large balances for some time to come in Bengal and Bihar and Orissa.

"For these reasons I regret that I have to inform Hon'ble Members that the Government of India cannot accept this Resolution. At the same time I should like gratefully to acknowledge the zeal which the Hon'ble Pundit Madan Mohan Malaviya has shown in battling for the causes of Education

and Sanitation. He has moved several Resolutions on these matters, and he may possibly comfort himself with the consideration that the importunate widow got her way in the end, although in this case he has not got an unjust judge to deal with."

The Hon'ble Pundit Madan Mohan Malaviya:—" Sir, I am very thankful to the Hon'ble Member for expressing his appreciation of the efforts I have been making in the cause of Education and Sanitation. We on our side gratefully recognise that the Government are very much alive to the importance of progress in both these departments, and we have acknowledged the fact over and over again. My only regret has been, and it is deeper after the defeat of every Resolution put forward in this connection, that the Government of India do not seem to realise the needs of the United Provinces in its grim reality. My Hon'ble friend has said that having lost the other Resolutions that I moved, and by which I endeavoured to secure a larger total grant for Education, I should probably be prepared to expect that this Resolution will not be accepted. Sir, there is no reason why the loss of those Resolutions should place me in that position. The Government may not accept a Resolution in its entirety, and yet they can, by making some adjustment, find 22 lakhs from the large revenues at their command to meet the requirements of the United Provinces if they recognise them to be just. Besides, looking back through half a century, we find that, except in abnormal seasons or times, Government has almost always been able to find money for every expenditure which it recognised to be just. It has been the misfortune of the United Provinces that, while the needs of the Provinces have again and again been pressed upon the consideration of the Government,—and there is no answer so far as the reality of these needs is concerned,—a sufficient amount has never yet been allotted to meet these needs.

" My Hon'ble friend has referred to the grants which have been made to other provinces, and has rightly pointed out that I do not want the grants of the other provinces to be cut down. I do not. I think that the expenditure on Education and Sanitation requires to be increased in every province. But I do urge that, if necessary, we ought to work up in the case of the United Provinces to the standard which has already been attained in other provinces before the standard of these other provinces is further raised. My Hon'ble friend has referred to the grants made to the United Provinces. I took my figures from the Quinquennial Review. I thought that I had made my attitude quite clear. I acknowledged with gratitude the grants made to the United Provinces, but I pointed out that we have had much lee-way to make up, and that we are still miles behind the other provinces in the matter of education, in the standard of expenditure, in the number of pupils at school and the number of institutions.

" Then after defending the situation so far as the Government of India are concerned, my Hon'ble friend referred with some justification to the sins of omission of the Government of the United Provinces. He pointed out that there is a large unspent balance shown at the end of the current year in the hands of the United Provinces Government. This is no doubt an important point. But I have pointed out that some other Provinces have still larger unspent balances, and yet they receive more than the United Provinces. The Hon'ble Mr. Sharp says that in the case of Bengal and of Bihar and Orissa, there are special reasons why they should have large unspent balances for some time. I submit that considerations of equal weight are to be found in the case of the United Provinces. There has been a change of regime there. Sir John Hewett has retired, Sir James Meston has come in. And as not infrequently happens when there is a change of Governors in a Province placed under a single-man rule, the new Lieutenant-Governor naturally desired to satisfy himself that the lines on which the money was to be spent were sound. Sir James Meston appointed a Committee early last year, and that Committee has reported how the whole sum allotted can best be spent in the coming year on

Education. The report has for some time been before the Government, and I am sure there will be no more delay in spending the sum that has been allotted. Indeed I feel certain that if the allotment is doubled it can be usefully spent. We have a Director of Public Instruction whose zeal in the cause of primary education is well known to you, Sir. Well, I hope that my Hon'ble friend's remarks about the importunate widow will at last come true. So long as we get our fair share, I do not mind whether we get it as the importunate widow or the needy orphan, or the rightful claimant. The condition of the people of the United Provinces, owing to the slow progress of education among them, is deplorable; owing to their ignorance they are paying, and have paid in the past, a heavy toll in lives lost by plague and other diseases. The high general death-rate makes a terrible argument for more help. The people of the United Provinces cry out to the Government of India to be allowed to retain a little more of the revenues they contribute, to be spent for the betterment of their condition. I hope, Sir, the appeal will not long go in vain."

The Hon'ble Mr. Sharp:—"Sir, I should like, by way of explanation, to say just a word. I think my Hon'ble friend slightly misunderstood my remark regarding the unspent balances being inevitably large in Bengal and Bihar and Orissa. I did not intend to refer to administrative changes.

"I would refer him to the reasons given at page 2 of the statement laid on the table at this stage of the Budget this time last year."

The Hon'ble Pundit Madan Mohan Malaviya:—"My remarks would apply *mutatis mutandis* to the United Provinces."

The Resolution was put and rejected.

FINANCIAL STATEMENT.

SECOND STAGE.

The Hon'ble Sir Robert Carlyle:—"I rise, Sir, to introduce the following heads of the Financial Statement for 1914-15:—

REVENUE.	EXPENDITURE.
I. Land Revenue.	3. Land Revenue.
VI. Provincial Rates.	8. Provincial Rates.
IX. Forest.	11. Forest.
XXI. Scientific and other Minor Departments.	26. Scientific and other Minor Departments.
XXIX. } Irrigation.	33. Famine Relief.
XXX. }	35 and 42 A. Prospective Works—Irrigation
XXXI. Civil Works.	42 and 43. Irrigation.
	45. Civil Works.
	49. Capital outlay on Irrigation.

I will first take the heads dealt with by the Revenue Department.

"I have nothing to add to the Financial Statement regarding the Land Revenue and Provincial Rates.

"Passing on to the head 'Forests,' I may note that although the Forest income and expenditure are now entirely a Provincial matter, the Government of India maintain, and must always maintain, close interest in the development of the forest estate, more especially in the development of what may be called

new forest industries. Some Local Governments with our cordial support have continued the policy of encouraging concessions for the extraction of paper pulp from grasses, bamboos and trees, and it is hoped that in a few years' time several of these concessions will be in full working order. Steps have at the same time been taken by the deputation of an officer to study European methods and in other ways to improve the manufacture of turpentine in the Punjab and the United Provinces. Efforts are also being made to secure a competent expert from England to advise the Government regarding the preparation of tanin extracts in Burma and elsewhere. A fresh move of considerable importance has been made in the United Provinces, where the Local Government has, with the assistance of the experts of the Research Institute at Dehra Dun, concluded a large contract for the supply of treated sleepers for State Railways, a step which, if attended with success, is bound to have far-reaching results in the returns from our hill forests. We have also made a start in the development of forest extraction by appointing an expert Forest Engineer to advise in the preparation of schemes for the construction of tramways, ropeways, river booms and other appliances for facilitating and cheapening the transport of produce from the forests to the market. The Engineer has been employed almost exclusively in Burma, and we contemplate that the greater part of the two years for which at present his appointment is sanctioned, will be spent in that province, where there is almost unlimited scope for his energies. A further move of considerable importance will be the exploitation—by private agency, if possible—of the undeveloped resources of the North and Middle Andaman Islands with their large stocks of *padauk* and other valuable timber, and a scheme for bringing about this is now under consideration.

"The improvement of the forests would be impossible without increased supervision. We find ourselves met with constant demands for the increase of forest staff, and several schemes for the strengthening of the superior staff are now before us. We have recently started a new and separate course for the Provincial Service candidates at Dehra Dun, and the policy is to employ the Dehra Dun College more and more exclusively for the Provincial Service candidates, the Local Governments being encouraged to make, as far as possible, their own arrangements for the training of all subordinate officers including Rangers.

"Turning to the Scientific and Minor Departments, I shall deal with the Survey of India, the Meteorological Department, Bacteriology and Agriculture.

"The Survey Department, in addition to the valuable work which it has always in hand inside the boundaries of India, has, during the last year, achieved notable success on the North East Frontier, and is now assisting in the Turko-Persian delimitation. In the North East of India the Department was faced by, and has solved, the last important geographical mystery left for its explorers to settle, namely, the drop in the Tsangpo River between Tibet and India. Owing to the great drop in the previously unexplored portions of the river, the existence of falls of even 5,000 feet had been considered possible; but Kinthup, a native of Sikkim, who explored the Tsangpo in 1884, reported that the falls were quite small, and they have now been seen by Captain Bailey, Inspector General, and Captain Morshead of the Survey Department who report that no great falls exist, but that there is an immense cataract of unusual steepness ending in a vertical drop of perhaps 30 feet. The survey operations in the Abor country have at the same time brought to light a snow peak, 25,500 feet in height, the existence of which was unknown before; and the fact that the Tsangpo, like the Indus and the Sutlej, is found to burst through the Himalayas in close proximity to a point of high elevation is believed to be one of great importance to scientific geography. The year has therefore been a memorable one in the history of a fine service, whose geographical achievements have already obtained for it a world-wide reputation.

"Under the head of Meteorology, I may mention that the preliminary arrangements have been undertaken and are now nearly complete for making

a commencement in a direction which I indicated in speaking on the budget last year, namely, the investigation of the conditions of the upper air, and we trust to be able to make a good start in this valuable sphere of research during the ensuing financial year.

"The Bacteriological work with which this Department is concerned is that carried out at the Government Laboratory at Muktesar and the branch Laboratory at Bareilly in the United Provinces, where anti-rinderpest serum and other preparations are made not only for India but also for other countries in the East. We have provided money for the institution of an enlarged laboratory at Bareilly and for the re-construction and improvement of the scientific staff at Muktesar; and when these changes have been carried out, we shall, in our opinion, have added very materially to the efficiency of the institutions concerned.

"For agriculture we have this year no special grants, and the Imperial figures are confined mainly to the amounts spent on the maintenance of the Pusa Institute. We have effected some improvements in Pusa during the current year, and have provided for further minor improvements in the next year's budget. We have also arranged for the provision of a Sugar Expert in the United Provinces for a period of two years, and the charges on this account during 1914-15 will be slightly larger than in the current year. Apart from this the Imperial items of agricultural expenditure show little variation. In the Provinces we have, however, made some considerable steps forward by the provision of a stronger staff of Deputy Directors of Agriculture, a reform undertaken partly to meet the needs of the cotton industry but mainly to cope with the increased interest taken by the people in the improvement of agricultural methods in this country. We are pursuing the policy, which was undertaken three years ago, to foster by all legitimate means the sugar industry of India; we have a mechanical expert in the United Provinces and a Botanical expert in Madras, who are devoting their time exclusively to this subject; our other technical advisers have investigated problems connected with the diseases and cultivation of the plant, and the cultivation of sugarcane on a large scale has been started, or will shortly be started, in several centres. We had also last December a very important meeting of the Board of Agriculture at Coimbatore which, among other matters, discussed the question of agricultural education, and we expect that, as the result of the recommendations then made, we shall in future be able to get a more satisfactory return for our expenditure on agricultural education than in the past.

"With reference to Famine relief, I have little to add to the explanations given in the Financial Statement. The expenditure on direct relief is mainly in the United Provinces, but includes also parts of Bombay, Ajmer, the Central Provinces and the Punjab. As pointed out by the Hon'ble the Finance Member, the cost of concession rates for the carriage of fodder now plays an important part in all schemes for famine relief, and out of the sum provided under the head of famine relief for the ensuing year a considerable portion represents the cost of this form of concession. In the Bombay famine of 1911-1912, we find that out of a total direct famine expenditure of 40 lakhs these concessions were responsible for 17 lakhs, and it is evident that in a serious famine the system would involve enormous expenditure. The concessions are admittedly a valuable method of preventing serious loss to cultivators by saving their cattle, but they are liable to abuse, and the whole method of their administration is now forming the subject of consultation between the Government of India and the Provincial Governments concerned.

"Turning now to the Public Works Department: so far as irrigation is concerned, the net profit after paying all charges inclusive of interest, will be nearly 280 lakhs of rupees, exceeding the previous year's return, which was a record, by nearly 10 lakhs. The Budget for 1914-15 forecasts a slightly reduced revenue of Rs. 271 lakhs.

"The total provision in the revised and budget estimates for new major works—both productive and protective—is 284½ lakhs for the current year and 260½ lakhs for the next year. These amounts are in excess of the standard outlay of Rs. 220 lakhs suggested by the Irrigation Commission. The provision for productive works alone is 202 and 182 lakhs, respectively. The decrease in 1914-15 is chiefly due to the fact that the Punjab Triple Canals are nearing completion The Secretary of State has recently decided to withhold sanction to the Sukkur Barrage and Rohri Canal project as at present designed; but, even excluding any large irrigation scheme for Sind, the capital outlay on productive works is expected to rise within the course of a few years, when two new large projects, namely, the Sarda-Ganges-Jumna Feeder Project and the Cauvery Reservoir Scheme, which are not yet ripe for submission to the Secretary of State, are taken in hand. The expenditure on productive works during 1913-14, while below the permissible limit, is more than 20 lakhs in excess of any previous year; and a further considerable increase in the outlay is expected as soon as the Gokak Canal in Bombay and the Belan Canal in the United Provinces are sanctioned and taken in hand. At present the only large works on the construction programme are the Mopad project in Madras, the Pravara and Nira Right Bank Canal in Bombay, the Ghaggar Canal in the United Provinces, and the Tendula Canal in the Central Provinces, and when other projects which are in course of preparation find a place in the programme, there is no doubt that the full maximum outlay of a crore of rupees will be attained.

"As regards Civil Works, I have nothing to add to what is stated in the Financial Statement regarding capital expenditure on the New Capital. So far as expenditure from Revenue is concerned, the total grant provided next year is 119 lakhs, and includes a reserve provision of (*a*) 1·15 lakhs for Archæological Works, (*b*) 8·33 lakhs for Delhi Province ordinary, (*c*) 5·72 for Delhi Temporary Works, and (*d*) payments in England on Stores, furlough allowances, etc., 12·33 lakhs.

"Of the provision made in 1914-15, Rs 38·86 lakhs represents the amount it is proposed to spend on Major Original Works to meet the requirements of the Post, Telegraphs, Customs, Currency, Mint and other Departments. As previously pointed out the Public Works Department is practically in the position of an Agent for other Departments, the provision made depends on the demands put forward by them The provision for repairs has been increased to 21·20 lakhs to meet the extra requirements under this head."

The Hon'ble Mr. Porter.—"Sir, on your behalf, I lay on the table a brief statement * showing the grants for Sanitation and Medical Relief for local bodies for 1914-15

"A Sanitary Conference, attended by delegates from all parts of India, has recently been held in Lucknow, and it is hoped shortly to publish a Resolution on general sanitary policy."

The Hon'ble Mr. Sharp—"Sir, on your behalf, I lay on the table a statement † showing the distribution of the educational grants during the forthcoming year. Also, as usual, a brief summary ‡ of educational development during 1912-13, and in some matters up to the present date, is laid on the table. I trust that Hon'ble Members will find that this is in a convenient form.

"I may add that more detailed information will be found in the Quinquennial Review on Education in India § which has lately been published. A copy of that Review will be supplied to all Hon'ble Members of this Council if they have not already received it. As I hear that some had not got it, I have brought a few copies which will be left in this room to-day."

---

* *Vide* Appendix A.
† " " B.
‡ " " C.
§ " " D.

RESOLUTION *RE* STATE TECHNICAL SCHOLARSHIPS.

The Hon'ble Mr. Pandit.—"Sir, I beg to move the following Resolution :—

That this Council recommends to the Governor General in Council that out of the allotment of £164,000 provided for Imperial Expenditure on Education during 1914-15 a sum of £2,000 be earmarked for and applied towards the grant to Indian students of ten additional State Technical Scholarships of £150 each tenable abroad.

"Sir, in moving this Resolution I do not propose to enter upon a eulogy of technical education, nor do I propose to trace the history of the attitude of the Government of India towards technical education from the date of the Secretary of State's celebrated despatch of 1854 onwards, through the Viceroyalty of Lord Dufferin, when Mr. Antony MacDonnell (now Lord MacDonnell) entered upon an inquiry into the subject, and through Lord Curzon's and the late Lord Minto's Viceroyalties up to the present time. The importance of technical education has been recognised by all progressive Governments, and I cannot do better than quote the forcible words of the late Lord Minto on this subject, uttered early in the period of his Viceroyalty :—

Technical instruction in other countries is growing apace, competition has forced it upon us, we must not lag behind ; the success of modern industries and the preservation of indigenous industries is becoming every day more and more dependent on scientific and technical knowledge and if the resources of India are to be developed by the people of India, such development must depend largely upon local enterprise, upon the investment of Indian money, and upon the recognition of the absolute necessity of expert training.

"The scope of my Resolution is a very limited one. It deals only with that expert training of which Lord Minto spoke.

"I remember very well, Sir, about the end of 1910, soon after the assumption by you of the office of Member for Education, meeting you at Allahabad, when in the course of our conversation on matters educational you recognised the importance of it and you further recognised that, so far as public opinion was concerned on questions of technical education, there was no difference either as to the object to be aimed at or as to the lines which were to be followed. Now it is also well known that in one of the Notes which you wrote upon the subject, Sir, you pointed out the necessity of beginning at the top. This Resolution deals with the training at the top. In 1901, there was a conference at Simla of the Directors of Public Instruction at which the question of technical education was first deliberated upon and the conclusion then arrived at was embodied in a Resolution which recommended the institution of these State Technical scholarships and suggested tentatively the number thereof being fixed at ten. Upon that Resolution the Government of Lord Curzon took action and, after correspondence with the Secretary of State, effect was given to that recommendation in 1904, and the Government of India published a Resolution with regard to these State technical scholarships. The object of these scholarships was to give the requisite higher training to students from this country who might be sent abroad to devote their time and energies to the particular subjects bearing upon industries which existed in India or which might be started and developed. According to that scheme, in the beginning a smaller number of pupils were sent out because there was some difficulty experienced in finding suitable young men at that time, but subsequently the number has been growing, and although the scheme had been working only for eight years, for which there were definite figures available, it has been found, as reported in the Quinquennial Review of which the Hon'ble Mr. Sharp spoke just now, that on an average nine State scholars had every year, up to the year 1912, been sent abroad for technical education. The scheme, when it was first undertaken, was launched with a great deal of uncertainty and hesitation. It was feared that the right type of students would not be found. It was feared that the lack of facilities in this country for practical training in regard to those industries in the shape of properly equipped

technical schools would prevent the student taking the fullest advantage of the instruction imparted in foreign countries. It was feared that in the foreign countries themselves there might not be found facilities for his having practical training of the higher type, and that he would merely come out a theorist without being of practical use to the country and without possessing the ability requisite for giving the impetus to the industries of the country, or starting new industries, which it was the object of the scheme to secure. To use the language of the Secretary of State's Despatch, it was to be worked experimentally, its further development being left for consideration when technical institutions in India had begun to produce a class of students who might be expected to profit by its extension. After a few years there was a certain feeling of despondency in connection with this scheme, and it was, I believe, actually mooted that the scheme should be abandoned; but at the Conference over which you presided at Allahabad in February, 1911, it was definitely decided not to set the hands of the clock back, and that the scheme was to continue. The starting of these State scholarships not only gave opportunities to the scholars to avail themselves of the higher scientific and practical training in subjects connected with those industries in which they were genuinely interested, imparted in foreign countries, but it encouraged a large number of privatelstudents also, either with or without the aid of certain societies, principally of the Association for the advancement of Scientific and Industrial advancement of Indians which has been rendering excellent service, to follow in their wake, or it may be that they went almost simultaneously. The result has been that a large number of students has gone from this country to England, to the Continent, and even to America and Japan to study subjects bearing on these various industries. Difficulty was in some cases experienced with regard to providing facilities for these students for practical training in the various manufacturing concerns, factories and workshops in the foreign countries. The difficulties were not entirely due to the unwillingness of those concerns to admit the students, but were mainly due to the system prevailing in these institutions of admitting only whole-time apprentices which did not easily fit in with the scientific course prescribed for the State scholars requiring their regular attendance at a technological college.

" The Secretary of State appointed in 1912 a Committee presided over by Sir Theodore Morison to inquire into the system of these State Scholarships established in 1904, and the Committee issued a report which, through the courtesy of my Hon'ble friend, Mr. Sharp, I have been placed in possession of. That report shows clearly that the Indian student who has been to these countries has been found to be apt and capable and, but for certain drawbacks in the selection which in course of time could be eliminated, would prove of the greatest use to the country in developing her resources. In paragraphs 34 and 35 of their report the Committee summarise their conclusions on that point and give their definite opinion in these words. They say:

We may therefore now formulate the answer to our first question, namely, How do Indian students acquit themselves at British Universities and technological schools? It is as follows:—Indian students generally get on well at the universities and technological schools in which they pursue their industrial education. They are quite up to the average capacity of their classes; if they have read science in India up to the standard of the B. A. or B. Sc., they are rather better equipped than most of their class-fellows on the theoretical side; if they have read up to the Intermediate on the Science side, they can with hard work keep up with their classes; those who have only passed the Intermediate on the Arts side or the Matriculation of an Indian University are unable to take full advantage of the instruction given. Students who have had practical experience of the industry are able to derive great benefit from the teaching given in England and *do capitally*. Those who, like most of the mining students *hitherto sent*—

mark the words and remember that a large majority of these went in 1904, 1905 and 1906—

have had no previous acquaintance with the industry they propose to follow, do very badly, and the money spent upon their education has, for the most part, been thrown away. Indian students of engineering are handicapped by their general ignorance of machinery

and the inadequacy of the training in drawing which they have received in India. Our second question relates to the practical training which Indian students are able to secure in this country either during or after their university education—

"Then they go on to point out the facilities which exist, and say that although business men are reluctant to part with their secrets in favour of possible competitors, yet there are to be found in the United Kingdom a number of Captains of Industry, with a broad patriotic point of view, who are prepared to take these students—a certain number of them—and give them every facility.

"Now it may have struck Hon'ble Members that a portion of the passage which I read pointed out that a certain number of students, especially those with regard to mining, have fared badly; and that the money spent upon them has been thrown away; and that it does not go to support the proposition, with which I started, that the students have done very satisfactorily. My answer on the point, Sir, is that paragraph 34 is not confined to State scholars—they are stated in paragraphs 22 and 34 on the whole to have been a credit to their country—but to Indian students generally, and if the description applies to any scholar, it must be due to the fact that in the early stages it was not clearly realised whether the object of giving these scholarships was to train the scholars for the highest rung of the ladder or merely for the secondary stage. In the correspondence which passed between the Secretary of State and the Board of Education on this subject, the Board of Education definitely inquired as to what the object of the Government was in sending these scholars. Therefore, I venture to submit that the experience with regard to those mining students need not deter us from pursuing the policy of progress and from sending forth students in larger number—I mean of course selected students who have aptitude and an interest in the subject—so that when they return to this country, they may improve her industries and develop her resources, which are undoubtedly very great.

"Sir, with regard to these scholars I may also point out that it has been shown in this report that some of them have actually proved the most brilliant and even possessed of the genius for inventing machines. One student in particular invented an electro-gilding machine. Another student, who was described by Dr. Parker of the Leathersellers' College as having had the 'tanner's blood in him', proved to be one of the best he had at the Leathersellers' College and would, Dr. Parker felt sure, benefit by his training to an enormous extent. He has, on his return, started a factory of his own, and I hope that it is working successfully. The great bulk of the other students also have done good work, and the fears that were expressed that on their return they would not find any employment or field for applying the knowledge they had gained or the skill they had attained have also been dissipated. Out of the 31 students who have returned so far, 18 have already received employment in private industrial concerns, 7 have been employed in State departments connected with industries, one more being similarly employed in Mysore, and of three students the information is not available. Of the remaining two, one died, and the other proved a renegade to the profession which he promised to follow. So far, therefore, the results, I venture to submit, are satisfactory. It may be urged that the object of the institution of these scholarships was not so much that these students, after their return, should merely take the place of those who had secondary training in these mills and other industries in the country and to start life on a lower plane and, therefore, it cannot be said that the original object has been fulfilled to a very great extent. The Committee presided over by Sir Theodore Morison pointed out that in regard to educational expenditure you cannot expect quick returns; you must wait and you must let the policy have sufficient time to fructify. I submit, therefore, that there is no cause whatsoever for despondency on this account.

"Another important consideration which I wish to draw attention to is that, whereas when the scheme was first launched upon, the conditions were different, we have now had in the past ten years this very great interest created

in the cause of technical education and education in general. We have given a greater impetus to technical education in this country.

"The various provinces have had industrial surveys made and exhibitions have been held in various provinces in order to popularize these various industries and to show to the public at large what industries are capable of expansion. Moreover, in every province a State Department of Industries has been in a way organized, and either there has been appointed a separate Director of Industries or the Director of Agriculture has taken over the additional duties of the Director of Industries. Secondary schools for technical education have also been started, and development has taken place in those that existed before. From all these points of view there are now greater facilities for indian students to avail themselves of practical training here and thereafter to avail themselves of these scholarships awarded by Government to make further progress in foreign lands and to come out to this country so as to benefit the country at large. There is one further reason, Sir, why the scholarships should be enlarged. There was a few years back in contemplation the establishment of a central technological college to be located at Cawnpore. That scheme has not received the approbation of the Secretary of State, and it has been dropped; consequently there is no sufficient provision anywhere now in the institutions that exist in this country for higher technical education. Progress, Sir, is taking place all round in education in all its branches, and is this branch alone of education to be left behind in the race, especially when it is one in which the hopes of the country are centred for the regeneration of the industries of this country and the material welfare of the country at large?

"Sir, the Indian student, who was for a long time moving in one educational groove, the Arts Course, is now taking more largely to Science, to technical education, and various other commercial pursuits. It is imperatively necessary to give the requisite impetus to these students by providing a larger number of such scholarships and making their opportunities more extensive than they are at present, and they will come back with their minds enlarged by contact with Western countries and with new energy infused into them. We are sure that however adverse the circumstances in this country may be, however reluctant capital may be to launch on new industrial enterprise, these gifted men will in course of time make their mark and create an impression and thus achieve success, leading both to their own prosperity and to the prosperity of the country.

"Sir, the demand which I make in this Resolution is—I won't say 'modest' because the term 'modest' has been used in connection with demands for 8 lakhs, 12 lakhs, 22 lakhs; but I would say, Sir, that it is a demand for a trifle as compared with other demands. I therefore venture to submit that although I am fully aware that the sum of £164,000 is not altogether unallotted (the statement which Mr. Sharp is going to place in our hands will undoubtedly disclose that the greater portion of it has been allotted—the Finance Secretary's Memorandum announced as much), yet I am sure, following the precedent of previous years, sufficient funds are still left in your hands to place £2,000 at the disposal of this particular object.

"Another objection may be put forward by my friend, the Hon'ble Mr. Sharp, when he rises to reply, namely, that I am asking for this sum of £2,000 to be spent *this* year from the resources of the State, but what is to become of these ten additional scholars *next* year: are these students to study only for one year? It may be urged that I am only introducing the thin end of the wedge in order to throw a larger burden on the resources of the State in future years. Yes, Sir, I am I do not conceal that that is my object. I submit that for the first year a sum of £2,000 may be provided. As this is a year which may be described as a lean year, I am content with that, Sir, for the present The Hon'ble the Finance Member, in his speech, pointed out that he looked forward to succeeding years with hope We all share with him the optimistic view that the set-back of the present year is only a temporary one, and that the prosperity of the finances of the country will continue as it has continued during the

past. Our railways are promising to give us larger returns in the future; we are laying out large amounts of money on them, and I am sure funds will be found in future years for carrying out this programme as I have suggested.

"There is one more objection which I wish to anticipate. In reply it may be urged 'Where all at once are we going to find these ten more students?' Difficulties have been experienced in the selection of proper men. Not that proper men cannot be found. There may be many a rough diamond who may be found and sent to be polished in the West, and may really prove of the greatest lustre to this country. Yet it may be urged 'Where are they at this moment to be found? And is this sum to be locked up in the interval or given to undeserving men?' No, Sir, I do not want that a single scholarship should be awarded to persons who are undeserving; but I feel confident that among the applicants for these scholarships, whose number is increasing from year to year—applicants who, after becoming familiar with the working of this system, have not only come forward with University degrees, but have also acquired practical training in the various industries of this country—among them there will surely be found a certain number who would be considered duly qualified. Their names are probably withheld for the present by the respective Governments, Administrations or Committees to whom authority to recommend has been given in this matter, because these authorities are not able to recommend more than a certain number of men for scholarships from their provinces. It may also be pointed out, Sir, that we have to act upon the principle that certain provinces are to have a certain number of scholarships, provided proper selections can be made. We have during the last few years created new provinces; Bengal has been partitioned into three provinces, or rather, the two provinces of Bengal have been divided into three provinces; and we have the North-West Frontier and the Delhi Provinces also to count upon. Thus, if we take the number of provinces, the addition which I propose will not prove too much.

"With these words, Sir, I commend this Resolution to the acceptance of Hon'ble Members. I am sure that the object is one which will receive the hearty sympathy of every one. I also feel, as I have pointed out, that it is not an unpractical scheme which I have put forward; and I hope it will meet with the most favourable consideration both from your representative who will answer me and from the other Hon'ble Members of this Council."

The Hon'ble Sir Gangadhar Chitnavis:—'The Hon'ble Mr. Pandit has shown, by facts we cannot impugn, that these technical scholarships are largely availed of and serve a useful purpose in some industries, and that if there are any failures, they are limited to a few industries only. *Primâ facie*, therefore, Government will be justified in applying more of the revenues for the support of the scheme if it is found, after consultation with Local Governments, that there is scope for expansion, and that such expansion is demanded by expert opinion in the interests of the youth, the capital and the industries of this country. I support the recommendation, especially because the Hon'ble Mr. Pandit has told us that the utility of the Scholarships has been established by experience and the demand is a modest one."

The Hon'ble Mr. Rama Rayaningar:—"Sir, in the minute you prepared some time ago for the Government of the United Provinces, appears a passage which lends strong support to the Hon'ble Mover's plea for larger grants for State Technical Scholarships. Sir, your observation that 'many educated capitalists would start some machine using concern at once, if they could have one of their relations or dependants trained to manage it, or even to control it' has, if anything, gained weight with time. The great drawback now in the country is the absence of skilled labour. The aluminium industry, chrome-tanning, and fish and oil industries of Madras all go to show what possibilities there are in the field of Indian Industry; and I feel confident that more Indian capital would flow into it if there was a more plentiful

supply of expert labour. The truth is our arrangements in India for the impartation of Technical knowledge cannot be said to be satisfactory. What the position would be after we have technical Institutes at important centres is a question on which it will be difficult to hazard a guess. Taking the position as it is, it is undeniable that, at any rate for many years to come, we must depend upon Technological Institutions abroad for the requisite training of our young men. It is only right that Government should provide liberally for the training.

"Sir, Government has already accepted the principle, as recent investigation would show, with excellent results. The only question now is, whether the time has not come for an increase in the grant; and on this point Indian public opinion is practically one-sided and favours an increase in the number of these State scholarships As to the particular number of additional scholarships, opinion may well be divided. But as the number suggested in the Resolution is not large, I support the recommendation. The amount required for the creation of these additional scholarships is much larger than £2,000. It depends upon the period for which they are to be tenable. Now, a three years' course would appear to many as the minimum. On that basis ten scholarships of £150 a year each would mean a minimum expenditure of £4,500 The passage money may come to another £500. Thus, as time goes on, the minimum expenditure would amount to £5,000 a year; even then it is not a large sum to be expended for the support of a scheme so useful, and I hope the Council will accept the Resolution."

The Hon'ble Raja Kushal Pal Singh:—"Sir, in the admirable and exhaustive speech which the Hon'ble Mover has made he has said all that can be said to justify the acceptance of this Resolution. Successful industrial and commercial competition, and a high standard of manufacturing production, depend much more upon the adequate training of the leaders and managers of the industries and commerce than upon that of the workmen.

"The main difficulty in the way of industrial progress in India is, therefore, the want of trained managers. This difficulty will disappear only when young men are given scholarships and sent out abroad to receive an industrial training. Now that many modern industries have been started in India, there is a ready market for the services of such men. The creation of ten additional scholarships, as proposed by the Hon'ble Mover, will be attended with very beneficial results."

The Hon'ble Mr. Madhu Sudan Das:—"Sir, the subject-matter of this Resolution no doubt is a very important one. Even the Hon'ble the Finance Member, who always comes forward with a sledge-hammer of arguments and figures intermixed with humour to shatter to pieces any argument which supports a Resolution, will be forced to admit that in a country like India, where more than 70 per cent of the population find occupation in agriculture, he will have to look to the mercy of the heavens in order to bring out prosperous budgets unless this pressure on land is relieved by a development of industries. The pressure itself is higher than in any other country; and consequently relief can be sought only by the development of industries. But we are in a dangerous position just now. While advocating the advance of industrial developments, we should not lose sight of the fact that we have to compete in these things with European countries. It is not a question of developing indigenous industries by processes of evolution. What we have to do resembles more a process of revolution, because hitherto the industrial products of other countries have flooded this country. We have acquired tastes which make the industrial products of foreign countries acceptable to us; and it is in this state of things that we are awakening to the responsibility of developing the industries of our own country. However earnest may be our desire, however laudable may be our wish, we cannot get over the fact that we have to compete with the West. Another thing is that our difficulties are great, as we have to fight against great odds; and therefore we should exercise every possible circumspection, and be very careful how we proceed in this unequal

combat. For India has been as it were lying under sleeping sickness for hundreds of years past with regard to industrial development. Her position is like that of a person who has been under the influence of sleeping sickness for a long time, who rises up and is told that she is to carry on a combat with another person who has been exercising his muscles every day. That is really the state of things; and we must use very great care as to how we proceed about this. A good deal has been said about the success which has been achieved in practical life by those students who went out to England or other foreign countries and learnt particular branches of industry. But a careful study of any branch of industry in Europe will show that those persons who were pioneers in the field had to suffer failures and defeat: and it was only after a struggle extending over many generations that they have attained the position which they now enjoy. The Hon'ble Mover has referred in his speech to certain people who went out and learnt the leather industry in foreign countries, and mentions an instance of a person who has found occupation and has started an undertaking of his own. I have some experience in this industry. I have received applications from half a dozen persons who have come out with leather industry experience; and I can speak of many who have proved perfect failures in the undertaking they took in hand; I know of one who had come to India with glittering testimonials and medals; now he has already left or is about to leave for England again to study law and come out as a barrister. In the early days of this movement Government sent out several students to study agriculture, and with what results? Some of them, I suppose, retired on pensions as Assistant Judges or Deputy Magistrates, giving their whole time to sending men to jail or hanging them for murder. Well, in a competition with a foreign country where industrial development is existing amidst keen competition, and developing under keen competition, it is absolutely necessary for us to know what the conditions of that country are, if we think of successfully competing with that country. There must be enterprising capital There must be the actual union of intellect, money and skilled labour. The young men who go and acquire technical education may learn the secrets of some industry. But how are they to get the amount of capital which will turn out the things as they are produced in the Western countries? Where is the capital to come from? I know a person who went to Japan and learned the sugar industry. He is now serving in a Native State in an office which is something similar to that of a Deputy Collector. One of the speakers, I think the Mover of the Resolution, said that in education you cannot expect a quick return. Certainly not. But to whom is that addressed? If it is addressed to the student, he will say 'as soon as I return to my country I want my pay.' That should really be addressed to the capitalist. If you want to educate the country in industry, you should not expect quick return, and those people who are the pioneers of these industrial developments especially do not get quick returns. But has the country capitalists who are willing to launch their capital in such enterprises? Very often you will find that when a man is sent to learn technical education, nothing is said as to where he will find employment when he returns to this country. Only a short time ago the Bihar and Orissa Government wrote to me to select a person to be sent to any foreign country for learning an industry, but at the same time they annexed a condition that I must undertake to find occupation for him when he returns.

"That is really what should be done. If there are capitalists in the country who are willing to advance the money, it would be necessary for them to select and send their men to learn a particular branch of industry in the foreign country. There are so many special departments in Europe; the division of labour means a great deal there. Then the capitalist and student will have to select what particular subject in the industrial world they wish to be taken up. The next thing required is to find out a market. The articles will have to be produced cheaper than they are in foreign countries. These are the questions that will have to be considered. I hope the Hon'ble Mover of the Resolution will not misconstrue my remarks as opposing his Resolution asking Government for a scholarship. I would be a traitor to the interests of my

country if I did oppose it, but certainly I do think that before any person is sent proper care should be taken that on his return we find ready occupation for him, and that ready occupation must be such as would enrich him and enrich his country and enable us to successfully compete in the same lines of industry as it exists in Europe. It is all very good to talk of *swadeshi* articles, but it must be on commercial lines that technical knowledge must be used. We must be able to get things as cheap and as good in quality as European goods are before we can reasonably expect to succeed in this enterprise. Far be it from me to oppose the Resolution; I merely wish to add a rider to it. It comes to this; it seems to me that particular care should be taken that money is not thrown away; and not only thrown away, but that it should not be so used that, instead of bringing good to the country, it might bring discontent to the person who is sent out."

The Hon'ble Pundit Madan Mohan Malaviya:—"Sir, I was under the impression for a long time, I am sorry to say, that the Hon'ble Mr. Das was opposing the Resolution. I was relieved to learn that he was not opposing it. I fear, however, that he has travelled somewhat beyond the Resolution in discussing it. I wish to draw attention to the fact that the Resolution does not ask the State to set apart a sum for *industrial* scholarships but for *technical* scholarships. In dwelling too much upon education of a particular character which would help in matters industrial perhaps my friend has taken industrial to be synonymous with technical education. I think, Sir, that it betrays a poor conception of the needs of technical education in India in the minds of those who think that a proposal like the one before the Council should not receive the whole-hearted support of the Council and should not be accepted by the Government. You, Sir, are aware of the progress which has been made and which is being made in the matter of technical education in other countries. You are aware what a large number of students from Japan is to be found in Germany and America; what a large number of students from advanced countries of Europe go to other places in Europe which are noted for the special excellence of institutions of any particular class, to complete the education which they have received in their own country. The Government of India have been giving a few scholarships every year to students to enable them to secure similar advantages by going to England. We are thankful for it. But when we compare the provision that is made for such help in this country and the small number of students from India receiving technical education in foreign countries with the condition of affairs in other advanced countries, the room for improvement seems obviously to be immense. In view of this fact, I think the request before the Council is a very modest one. Indeed, I think it is a very small request. Considering the need for promoting the highest technical knowledge in the youth of this country to qualify them to be employed in developing the resources of the country, considering also the desirability of providing new and profitable pursuits for our young men, the desirability of opening up careers beyond the Government offices, the public services and the bar, considering also the need of supplying both to the Government of British India and to Indian States, students who have received expert instruction and practical scientific training in the best Western countries where it is to be had, I consider that if the scholarships were increased by 50 they would not be too much. A number of students receive instruction in theoretical Science in the various Colleges attached to our Universities; but practical instruction of the kind that is imparted, for instance, at Manchester or Massachusetts is not available. Technical institutes, such as the one in Bombay and at other places, which give education up to a certain standard which is very good; but we want promising students who have received theoretical instruction in Science at an Indian University, to go forward to the best part of the world to draw knowledge of the highest value from whoever it can be had. There can be nothing more glorious for the Department of Education than that, helped and fostered by the Government, Indian students should thus obtain the best instruction that any foreign country is able to supply. We have a

glorious illustration in this country of what an Indian can do in the person of our esteemed countryman, Professor I. C. Bose; and we want that more opportunities should be provided for Indian students sitting at the feet of the savants of the West to attain to the full height of their intellectual stature. I am sure the number of qualified students who would come forward to avail themselves of such scholarships would steadily increase, and if the Resolution is accepted, it would cause widespread satisfaction among the young men of the country. With these words, Sir, I strongly commend the Resolution to the acceptance of the Council."

The Hon'ble Mr. Surendra Nath Banerjee:—"Sir, I think that this Resolution is in entire accord with what indeed is the accepted policy of the Government of India. We read from time to time in the newspapers which are not very friendly that a great deal of attention is being paid to literary education, and that a great deal of expenditure is incurred on such education. I think, Sir, there is a desire on the part of all Provincial Governments to stimulate the cause of technical education. I can speak of the Government of Bengal, and I know that the Government of Bengal is earnestly solicitous of establishing a technological institute which will focus, so far as is practicable, technical knowledge of various kinds which might be adapted to the technical needs of the country. Therefore, it seems to me, Sir, that this Resolution, being in accordance with the accepted principles of the Government, ought to be accepted by the Government. My Hon'ble friend behind has raised certain objections; he does not object to the Resolution, but his conclusion was certainly diametrically opposed to his premises. My friend behind made the remark that it was all very good to send out these young men, but what were they to do after their return to this country. I think my Hon'ble friend the Mover of the Resolution gave us certain figures regarding the subsequent career of some of these State scholars who had been sent out by Government. If I have been able to follow my friend it seems to me that 18 of them were employed in private enterprises, five or six in Government service, and there was only a small residuum left. I am not quite sure of the figures. I am making a statement which I think is approximately correct.

"It seems to me that on the whole the State scholars have been able to obtain suitable employment. I am perfectly certain that as the industries develop—and they are developing at a rapid stride—occupation will be found; and the Government ought to provide the technical knowledge which will qualify our young men to be the pioneers of our future industries. I have had some knowledge of *swadeshi* enterprise. I have been largely associated with some of these undertakings. I am sorry to say that they have not all been very successful. I am sorry to say that there have been very many failures. So far as I have been able to gather, the root cause of most of these failures was the absence of technical knowledge. The industries were started in the fulness of patriotic fervour, with a great fund of the capacity of self-sacrifice; but sentiment alone is not the first and the last element of success in a commercial enterprise; technical knowledge was absent, organizing genius was partly absent, business training was not there; and the result was that many of these undertakings fell through. Technical knowledge is one of the cardinal conditions of success, and all my friend wants is that some more scholarships should be created and that young men should be sent out to Europe and other countries for the purpose of acquiring technical knowledge. I am sure that on this side of the House there is the strongest support accorded to this Resolution. I am sure that this Resolution must appeal to the sympathies of the Government, for it is a Resolution which is in entire accordance with the principles and the policy which the Government has been following, under the authority and inspiration of the Minister in charge. I do hope a sympathetic reply will be given by Government in this connection."

The Hon'ble Mr. Sharp:—"Sir, as the Hon'ble Mover has pointed out, certain doubts have recently been entertained regarding the conditions under

which the State Technical Scholarships, as they are called, are awarded and held in foreign countries. For that reason the Secretary of State appointed a committee in 1912 to investigate the whole subject. The very modesty and concreteness of the present proposal and the weighty considerations which have been put forward by the Hon'ble Pandit Madan Mohan Malaviya and Mr. Surendra Nath Banerjee render it, I fear, incumbent on me to trespass for a few minutes upon the patience of the Council in quoting to them some passages regarding the difficulties which have been discovered by this Committee at home I am not going to dwell upon any of the difficulties regarding the provision of suitable instruction nor upon the fact that, as Mr. Banerjee pointed out, there is at present a scheme in Bengal for a large technological institute there. There are only about three points which I wish to allude to. In the first place, it is not always easy to find candidates for these scholarships, who are fully qualified to derive the greatest advantage even from the present limited number of stipends. The portion of the report to which I intended to allude lays some stress upon the difficulty in mining, but I shall omit part of that passage because the Hon'ble Mr Pandit has told us already that there is difficulty about mining. But it goes on—

> In all industries the presumption is that some previous practical experience is necessary, and the rule should be relaxed only when this presumption can be rebutted. Where such experience cannot be had in India, the question should be referred home before the scholar is sent with a view to inquiry being made as to the possibility of obtaining it in this country.

"Practical experience is often not to be found in a sufficient number of candidates even for the present number of scholarships.

"The second point is this. It is not always easy to find employment for those who return. The main conclusion of this Committee has some interesting remarks on that as well as on other points. 'The results attained' it says, 'so far justify the continuation of the system of Government Technical Scholarships, and, with the modifications which we have suggested, the system may be expected to yield even better results in the future, but this expensive form of training at public cost should only be given to a well-chosen few who may reasonably be expected to help the industrial development of India. We recognise that the openings for such men are not at present numerous, and that the most urgent demand of Indian industry at present is for skilled mechanics, and we are in complete sympathy with the efforts now being made for giving in India a better training to men of that class. But the necessity for educating the artisan does not preclude the desirability of having a limited number of men with the highest technological training, capable of holding posts of control. Both classes are needed for the development of Indian industry, and opportunities for the improvement of both should be given simultaneously.'

"I can assure Hon'ble Members that I have had some painful personal experiences regarding pupils who have come back and in whom I took interest. They have been quite unable to raise any capital even in likely industries, and notwithstanding the efforts that many of us made on their behalf, we were not able to secure for them other employment not of a purely productive kind. But it is unnecessary for me to say anything more, because the Hon'ble Mr. Das has supplied us with an extreme instance.

"In the third place, this same passage which I have read appears to suggest that a rigid system under which a certain number of scholarships, neither more nor less are awarded in any particular year, is not the most suitable; but that the bestowal of a scholarship should rather wait upon the appearance of a candidate of outstanding ability to benefit by the instruction given. This is also emphasised in the following passage regarding the general recommendations of the committee :—

> The general effect of our recommendations will, we recognise, be to increase the cost to Government of the system of State Technical Scholarships. This additional expenditure will, however, be amply justified if in consequence of the changes we propose the men are

better selected and better equipped for the work they have to do. Indeed the expense of technical scholarships cannot be defended at all unless they give the best preparation possible for the highest kind of industrial work. The ideal training for an industrial career is both lengthy and costly, and for this reason it should only be given, at public expense, to men of quite exceptional capacity. The average man, who can never be expected to do more than carry on well-known industries by well known methods, can be trained in India; if he is trained in England it should be at private expense But when the best men, as far as human foresight can discriminate, have been selected, it is false economy to give them any but the very best training.

"The fact is the report indicates the desirability of prolonging the period spent abroad so as to provide time for some practical instruction. In this connection I should also like to quote a short passage from the report on the work of the Indian Students' Department, which bears on the same matter. Talking of the technical scholars in England, it says :—

It is evident that these scholars ought to be carefully chosen and thoroughly educated before they come, and that no technical scholar ought to be sent to this country until he has had some practical training, has proved that he has the health to stand it and the aptitude to turn it to account, and has learned enough of the industry selected to understand the theoretic teaching he receives. It will probably be necessary to make the technical scholarships tenable for longer periods. And while it is impossible for Government to guarantee employment to scholars when their training is done, the usefulness of the system would be greatly increased if the men selected had definite openings to look to on their return. It is obviously not worth while to spend £1 000 on training a technical scholar, if, on his return to India, he fails to find industrial employment, and takes refuge in the law or the teaching profession. And it is equally a doubtful experiment to train Indians in the manufacture of alkalies or other commodities, if industries able to apply their knowledge do not already exist in India, or if capital is not forthcoming to start them with any prospect of success.

"It will be observed that the retention of the present scholarships under improved conditions is likely to cost more money. The Hon'ble mover has quite admitted that the cost will not in future be limited to £2,000, but I think that the estimate just put forward by the Hon'ble Mr Ramaraya Venkataranga will be below what would be incurred were this Resolution to be accepted, because we should probably have to allow for scholars remaining, as indicated in that report, in many cases for 5 years, and in addition we should have to pay out more money for the enhanced period which the scholars under the existing system will require. Moreover, it has been deemed necessary to refer to Local Governments a report of the great importance which attaches to this of the Morison Committee, as this Committee is generally called. It would be impossible for the Government of India to accept any Resolution which would appear to commit it to any definite development as regards these scholarships until the opinions of the Local Governments have been received, and the whole matter has had the most careful consideration. The Resolution therefore cannot be accepted. I am only sorry that I have not been able to mitigate the blow of the sledge hammer with any touches of humour. But when the matter of these scholarships does come up for further consideration in the light of the opinions received, the fact that such a Resolution as this has been advanced before this Council will certainly not be forgotten; and I can assure the Hon'ble Mr. Pandit of the enormous importance which the Government of India continue to attach to the whole question of the industrial education of Indians whether in India or abroad."

The Hon'ble Mr. Surendra Nath Banerjee :—"Will the Government of India consult the Local Governments about that matter, may I ask the question ?"

The Honb'le the President :—"Order, order! The Hon'ble Mr. Sharp has already said that the Local Governments had been consulted."

The Hon'ble Mr. Pandit :—"Before I come to the speech which has just been delivered by the Hon'ble Mr. Sharp, I wish first to answer one

point which the Hon'ble Mr. Das put to me, but which I did not think fit to answer at the very moment. The Hon'ble Mr. Das very rightly pointed out that, in considering the question of the selection of the particular candidates, the authority exercising the right of selection must bear in mind the various points as to whether the candidate has the capacity, has the practical training, and whether, on coming back, a suitable opening will be provided for him None of us wish that these scholarships should be awarded without consideration of these points, and if that was the only point of the Hon'ble Mr. Das, I fully realise that the conclusion that he supported my Resolution was not altogether at variance with the premises which he put forward ; but it was only a counsel of prudence which he suggested to those who may have in their power the bestowal of these additional scholarships. The Hon'ble Mr. Das no doubt wondered whether there was any such candidate as I had referred to who had gone 'with tanning in the blood' as it is termed and had done excellently in England and had come back to this country and had started an industry on his own account. I have the name of such a student, and Mr. Das being interested in the leather industry, might perhaps join hands, and capital, skill and labour all combined may produce considerable benefit to the country. The name of the gentleman is Muhammad Nawab Uddin. He belongs to the Punjab and is described as being a *Khatik* by caste, and belongs to a family of tanners and dyers in the Punjab. After this training of his in England, he obtained a first class ordinary certificate of the City and Guilds Institute in leather tanning and leather dyeing ; a first class pass in heavy leather tanning and a third class pass in Applied Chemistry at Leatherseller's College examinations, and is now a member of the firm of Shamsuddin Nawabuddin, leather manufacturers and dealers in hides, skins, etc., of Amritsar. With regard to him, I need not detain the Council by reading the opinions which his professors had of him. If the Hon'ble Mr. Das is inclined to go deeper into the question, he will be able to find the information in the report to which I have already referred.

"Now, Sir, I am thankful to the Hon'ble Members who have supported the proposition which I moved. I felt sure that everyone who realised the importance of technical education in the present stage of the development of this country would sympathise with the Resolution and would accord his hearty support, and I did not take the Hon'ble Mr. Sharp to exclude himself from that category, but I am somewhat surprised that, with the whole of the Morison Committee's Report before him and with the wide personal experience he has had of several provinces, the petty difficulties which confront him naturally as having to deal with these various cases, should have over-shadowed the broad issues that were before him, and should have led him to exaggerate the difficulties and minimise the value of extending at the present stage this branch of technical education. Sir, we know we all speak of the golden past ; the present is always fraught with all the miseries and troubles that worry us, and we look to the past with such fascination, as if those troubles and worries did not exist before, and similarly we always dread the future. We do not know what is going to come. In a similar spirit the Hon'ble Mr. Sharp has dealt with this question. If anything, I venture to submit that this Report, so far from supporting the extra caution as to the need and utility of extending the system which he has entertained, wants the Government to proceed further with this object, only, of course, as it was their duty, the Committee pointed out the methods to be employed, the care to be exercised in the selection, and the requisites as to equipment which the candidate must possess before he is sent out at State expense.

"The Hon'ble Mr. Sharp has pointed out that there is difficulty in finding suitable candidates. He referred to the candidates who go without any practical training, and with regard to whom money is wasted. Now what I submit is this. After all this scheme has been in operation since 1904. The drawbacks with regard to it must have come to the knowledge of the Education Department in the course of the first three or four or five years, and are we to suppose that, in spite of these difficulties, in spite of these drawbacks, knowing full well that you were sending out candidates who were not suitable, knowing full well that you were wasting public money, the

Hon'ble Mr. Sharp and you, Sir, have been sending out during the last four or five years a large number of candidates, 9 in number on an average every year? I cannot believe it' I prefer your practice to your professions, Sir. I am fully confident that both you yourself and the Hon'ble Mr. Sharp have been exercising the greatest caution and have been finding out the right type of man and sending him to England. Not only that, but I contend that these reports show that the candidates that have been sent of late years have been of exceptional brilliancy, fully equipped men who have gained the confidence of their professors, and with regard to whom the highest hopes have been entertained by their professors and tutors. I say, Sir, if that is the result, 'go on steadily forward and do not flinch, exercising whatever caution is necessary. Do not be moved by mere importunity; do not be influenced by any false veneer. Test your man fully and if he is suitable, then do not hesitate to send him.' Well, if the objection urged by the Hon'ble Mr. Sharp is that the Committee recommend that there should be a well chosen few who should be sent, does that mean that the number that has been sent now is exceptionally large and that, therefore, it should be limited, or does it mean that you can send a larger number provided all the conditions requisite are fulfilled, and provided it does not become the case of every body and any body being sent up with these scholarships to obtain training in foreign lands? As I read the recommendation it is in favour of sending persons fully qualified even if thereby the number you have been sending so far is exceeded. I gather from this report that the number of candidates for whom provision has already been made for practical training in private factories and workshops—promises taken by this Committee so far only in the four centres they visited from various manufacturers and others—itself shows that it is very much larger than 10, and that lends corroboration to my view that the Committee, so far from recommending any curtailment or stoppage, are in favour of providing for more and have told the Government of India 'if you send a larger number, we are willing to provide for them the facilities for their proper training.' With regard to several of these various industries, we have provision in this country now for practical training up to a certain stage, and if the committees or other authorities dealing with candidates for these scholarships at the various centres know exactly what the requirements are, I am sure that they will find the right material. Enterprising young men of ability, since they have come to know that there is this scope for their energies, have taken to these various industries and are obtaining training in coal mines, in manganese mines, in mills and in various other manufacturing places, and I am sure that the requisite practical knowledge will be gained, and that there will be a sufficient scope for testing a man's worth and taking the exceptionally brilliant man out of the ordinary rut.

"The question of the provision of employment for these students on their return is, no doubt, one in regard to which difficulty has been experienced in the past. I am aware—I do not wish to disguise the fact—that in my own province influence had to be exercised by the officers of Government in order to get some of them suitable employment: but the difficulty is one which is in the nature of things inherent in every start of business or profession. There are so many industrial concerns which have got their staff already, and they cannot, as soon as a scholar comes back, turn out the whole lot and provide for him. He has necessarily to wait as in every other profession. Whether it is the Bar or any other profession, a person does not find ready to hand a lucrative practice, position or occupation. He must wait until an opportunity presents itself, and, if necessary, he must be content with a lower position than the one to which he aspires, and work his way up winning the confidence of his superiors and employers, thus ultimately securing the position for which his qualifications fit him. This is one of the points which, I may point out, the Committee themselves have explained, and they say that these circumstances ought not to deter anybody from availing himself of the higher facilities for education in foreign lands. I know that the Committee go further and point out a practical way, namely, that of asking gentlemen interested in industrial concerns whether in the case of a candidate being sent to England, they would be willing to give

him employment and thereby secure him a better chance for his employment when he comes back, than he would otherwise have. They pointed out that if the candidate were put into a concern as an apprentice before being sent abroad, the employers would know the exact calibre of the man and if sufficiently high they would have confidence in him, and if he came back with a good record they would be only too glad to provide for him. Sir, Dorabji Tata in his testimony said that one of the scholars had served his apprenticeship in the Empress Mills at Nagpur, and that as he was doing excellent work at Manchester if on return the young man approached him for employment he would recommend him strongly to his Manager for something being found for him to do.

"Now, Sir, we need not attach any importance to the reference in the report of the Indian Students' Department of the India Office about students coming up for this industrial and technical education and going in for law or some other profession. So far as the Government scholars are concerned, out of 66 only one has turned out a renegade, and that is a negligible proportion. Hereafter, the Morison Committee suggested, in cases of such abuse of the scholarship, the delinquents must be made to refund the amounts which have been spent upon them. That is not an unreasonable suggestion. It is a practice to which we are accustomed in the case of scholarships given for medicine, where Assistant and Sub-Assistant Surgeons after they have qualified, are bound to serve the Government for a certain number of years, and in other branches also there is a similar system in vogue. I am not oblivious of the fact that the recommendation of the Committee with regard to the enlargement of the period of study of these students in foreign lands does involve an increase in expenditure over what has been laid down for this object, but as will be seen there they distinctly point out that the consideration of the increase in expenditure ought not to prevent the Government from giving as great a benefit to the country by giving the very best training to suitably selected candidates. I do not ask you, Sir, forthwith to nominate 10 more persons this year. All that I want is that provision should be made, so that if, let me say, two or three more persons deserving of these State scholarships are discovered in the course of the year, they might also be sent. If my Hon'ble friend had acceded to my request that his own powers of giving this patronage should be enlarged, I should have been glad. Of course I fully realise that he has adopted a tone of sympathy towards my Resolution, and he feels that the Government of India would be departing from their principle of granting provincial autonomy if they forthwith accepted my Resolution without consulting the Provincial Governments as to what their views are on the subject.

"I realise the hesitation which he feels, but if he will give me an assurance that, in the matter of the consideration of the Committee's report, he will also refer to the Local Governments the question whether the limit of 10 which has been followed so far should not be done away with and a higher limit of 20 fixed, I shall be quite satisfied with the answer and I will not press the matter to a division."

The Hon'ble Mr. Sharp:—"Sir, I am afraid that I cannot quite accept the offer made by the Hon'ble the Mover. Before any such commitment can be made, it is essential that the Government of India should receive the opinions which, as I said, have been called for from the Local Governments upon the whole question; and those opinions must be very carefully considered. At the same time, I can assure him that the whole trend of this debate will receive sympathetic consideration from the Government of India."

The Hon'ble Mr. Pandit:—"Of course I do not wish the Government of India to commit themselves to the number twenty; but short of that, as in view of the trend of this debate my proposal will receive the favourable consideration of yourself, Sir, and the Hon'ble Mr. Sharp, I shall be quite content with the assurance in the full belief that it will be approached in that spirit of liberality which this subject requires, and I do not wish to press the Resolution."

The Hon'ble the President:—"Does the Hon'ble Member wish the Resolution to be withdrawn?"

The Hon'ble Mr. Pandit:—"Yes, Sir."

The Resolution was, by permission, withdrawn.

RESOLUTION *re* GRANT FOR SANITATION TO DELHI PROVINCE.

The Hon'ble Maharaja Ranajit Sinha of Nashipur:—"Sir, with your permission I beg to move the Resolution which stands in my name and runs thus:—

That this Council recommends to the Governor General in Council that a non-recurring grant of one lakh, or such amount as the Government think proper, be made to Delhi Province for further improving the sanitation of Delhi Municipality.

"Sir, I do not wish to take up the time of the Council in commending this Resolution to their acceptance. It is absolutely necessary that the sanitation of the Delhi Municipality should be materially improved, and I find that within one year the Municipality has made considerable progress in the improvement of its sanitation and in all matters affecting the well-being, the comfort and the convenience of the people living within its limits; but it requires very large funds to do all that is desirable, and this cannot be done without the material aid from the Government, because it is not possible for the rate-payers within the Municipality to meet the heavy expenditure which is necessary for the improvement of the sanitation of Delhi.

With these few remarks I beg to move the Resolution for the acceptance of the Council."

The Hon'ble Mr. Rama Rayningar:—"Sir, now that by Royal Decree Delhi has become the Capital of India, its sanitation has gained the importance of an Imperial concern, and it behoves the Imperial Government to finance, to some extent, the sanitary improvement of the City. On this general principle I support the Resolution, apart from the local circumstances on which I cannot say anything as I have no first-hand knowledge."

The Hon'ble Mr. Madhu Sudan Das:—"Sir, the streets of Delhi remind one too often and too forcibly of the words of the poet—

'Dust thou art, to dust returnest.'

"May I ask the Hon'ble the Finance Member to relax the strings of the purse so that one may have a more cheerful view of life in the new capital?"

The Hon'ble Sir Gangadhar Chitnavis:—"Sir, I beg to support the Resolution. Delhi now occupies the same position as an Imperial city which Calcutta did two years ago, and the reasons which have prompted Government in the past to make large subventions for the improvement of Calcutta operate with equal force in the case of Delhi. It is necessary that, in order to keep the Imperial city scrupulously clean and sanitary, care must be taken to prevent insanitary surroundings, especially as insanitary environments will be a serious menace to its health. The old city must therefore be improved, and the Imperial Government ought to contribute liberally to the cost, if only to accelerate the rate of progress. It will not be appropriate to expect that all this burden should wholly fall upon the shoulders of the Delhi people. The Indian revenues must contribute something for the purpose. With these remarks I beg to support the Resolution."

The Hon'ble Raja Kushal Pal Singh:—"I also beg to accord my hearty support to the Resolution."

The Hon'ble Mr. Porter:—"Sir, I am afraid I must oppose the Resolution for reasons that were fully given last Saturday in dealing with a similar Resolution, while expressing the fullest appreciation of the interest shown by Hon'ble Members in the New Capital. I must point out that the Government

of India have been extremely liberal in their grants to Delhi. In 1913, 5 lakhs were given, and in 1912, 1½ lakhs—in all, 6½ lakhs. In addition to that a recurring grant of half-a-lakh has been made and Imperial Funds also contribute towards the pay of the Health Officer of the Delhi Municipality. We are paying for the Malarial Survey of Delhi from the Research Fund. I think the results that have followed from these grants will become clear if Hon'ble gentlemen will read the last Municipal Report, and they may be quite confident that the future needs of Delhi will receive the fullest consideration."

The Hon'ble Pundit Madan Mohan Malaviya:—"May I ask, Sir, if it is a fact that Calcutta has been given 1¼ lakhs for the last 50 years?"

The Hon'ble Sir Ibrahim Rahimtoola:—"1½ lakhs."

The Hon'ble Mr. Porter:—"It is a fact that a grant of 1½ lakhs has been made to Calcutta."

The Hon'ble Mr. Surendra Nath Banerjee:—"May I be permitted to make an observation with regard to my Hon'ble friend's question? It is a part of the Improvement Trust: the Government of India have granted 50 (or 60?) lakhs to the Corporation."

The Hon'ble the President:—"Order, Order! The question is that a lakh of rupees should be given to Delhi. The Hon'ble Member's interjection is not quite in order, and I think the matter need not be further discussed."

The Hon'ble Maharaja Ranajit Sinha of Nashipur:—"Sir, I could not quite understand whether the Resolution has been accepted."

The Hon'ble Mr. Porter:—"I oppose the Resolution."

The Hon'ble Maharaja Ranajit Sinha of Nashipur:—"With the assurance given by the Hon'ble Member—"

The Hon'ble the President:—"Does the Hon'ble Member wish to withdraw the Resolution?"

The Hon'ble Maharaja Ranajit Sinha of Nashipur:—"Yes, Sir."

The Resolution was, by permission, withdrawn.

FINANCIAL STATEMENT.

SECOND STAGE.

The Hon'ble Mr. Clark:—"I have to introduce the heads of Excise, Customs, the Post Office and Telegraphs, Stationery and Printing, and Railways. As regards the heads of minor importance in this list, I have nothing to add to the memorandum explaining the details of the estimates, and in what I have now to say to Council I will confine myself to the two subjects of the Post and Telegraphs and of the Railways.

"The record of the Post Office and the Telegraphs continues to be thoroughly satisfactory. For the year 1912-13 the receipts of the Post Office amounted to £2,262,436 and the expenditure to £2,026,567, so that there was a surplus of £235,869; and according to the Revised Estimates the receipts for the current year will exceed the expenditure by a sum of £291,600. For the year 1914-15, we have budgetted for a revenue of £2,552,100 and an expenditure of £2,082,000, and if these results are obtained there will be a surplus of no less than £470,100.

"Turning to Telegraphs we find that the revised estimates of revenue of the Indian Telegraph Department fall short of the Budget Estimates by £4,700. This is due to the reduction in the volume of trans-Indian traffic brought about by the establishment of the all-submarine cable route between Europe and the Far East, which was completed by the laying of the Aden-

Colombo cable in December 1913. As regards expenditure, the revised estimates show a decrease of £47,800 as compared with the Budget Estimates of the year, which is mainly due to the postponement of certain wireless schemes. For next year we have budgetted for an increase of £100 only in Revenue, as we have had to take into account the loss of revenue due to the opening of the all-submarine cable route between Europe and the Far East and the reduction of our terminal and transit rates.

"As regards expenditure, an increase of £78,200 has been budgetted for of which capital expenditure accounts for £75,400 and revenue expenditure for £2,800. The former is due to the extension of the wireless system and to increased provision for construction of telegraph lines for new Railways; and the latter to annual increments of salaries to the establishment.

"Last year I referred to the preliminary steps which had been taken towards a permanent amalgamation of the Post and Telegraphs. The Secretary of State for India has now sanctioned a scheme for their complete amalgamation which had been put before him by the Government of India, a scheme which is by far the most important administrative measure ever undertaken in connection with these departments. It has been prepared on the lines of the experimental amalgamation which, as I explained to Council last year, has been under trial in the Bombay and Central circles since 1912. It involves a complete separation of Engineering and Traffic duties. The Director-General of Posts and Telegraphs will be assisted at head-quarters by a Chief Engineer and a Deputy Director-General for Telegraph Traffic. All traffic work throughout the country will be transferred to the control of the Postmaster-General. For Engineering purposes India excluding Burma will be divided into three administrative charges controlled by Directors of Telegraph Engineering, who will be responsible for all technical and engineering work. In Burma, the Post Office and Telegraph Department will be placed under the control of a Postmaster-General who will be a senior Telegraph Officer. The scheme involves a considerable reduction in the sanctioned number of Superior Engineering appointments in the Telegraph Department, but the greatest attention has been paid to the framing of measures, which Government has every reason to think will prove adequate, in order to safeguard the interests of all officers now in the service. An offer of special pensions will be made to a certain number of these, but the scheme will not involve any compulsory retirements. A new branch, called the Superior Traffic Branch, to comprise forty appointments, on liberal rates of pay, will be created, and it will be recruited mainly from subordinates as the existing surplus of Superior Officers is reduced. One-fourth of the Superior Engineering appointments made in future will be open to the subordinate staff. The scheme, which will be introduced shortly, will ultimately result in a considerable financial saving, but it is not possible to say to what sum the saving during the year 1914-15 will amount.

"I turn now to the railways. According to custom, I will ask my Hon'ble friend, the President of the Railway Board, to lay before Council a review of the progress made during the year, and I propose myself only to deal with two subjects of especial importance and interest. I think, first, that Hon'ble Members will be interested to hear what progress has been made in grappling with the problem of congestion on our railways, in regard to which I outlined to Council last year the policy which was being pursued by Government. The task set to our railways has continued to be a heavy one. The total import and export trade in the calendar year 1913 was higher by £20½ millions than that of the preceding year, and there has been an increase of 350,000 tons in the total entries and clearances of shipping at our ports. It is true that shipments of grain have fallen off by 1½ million tons, but as against this it must be remembered that the heavy transport of fodder necessitated by the scarcity in certain areas in Northern India has placed an additional burden on the railways. The gross receipts of the railways for the financial year show a small increase over those of last year, an indication that the quantity of goods carried has increased rather than diminished. Yet while

congestion was more or less general last year, complaints this year have been far less frequent and have been confined to a much greater extent to special areas. The principal difficulty has arisen in the last few weeks in connection with the coal traffic, and is due in the main to the exceptional demand on the East Indian Railway for wagons for the transport of fodder to the scarcity areas, a demand which has unfortunately coincided with the period of the year when raisings at the collieries are particularly heavy. But taking India as a whole, it is not too much to say that congestion as it was understood twelve months ago has ceased to exist. Although the situation, therefore, has been greatly relieved, Government are by no means relaxing their efforts towards yet further improvement. The railways have gone steadily forward in the direction of increasing their open line facilities, and since this time last year goods vehicles to the number of about 9,400 with a corresponding proportionate increase in the number of engines, have been added to their stock, while orders for about another 19,000 are being gradually complied with. The provision of capital for railways remains at last year's figure of 12 millions, and my Hon'ble Colleague, the Finance Member, expressed in his Budget speech his earnest wish, which I heartily echo, that, should circumstances permit, he may be able to maintain it at the same level in the years to come. I told Council last year that the question was being taken up of making it easier for the Railway Administrations to spend their allotted grants within the financial year and thus avoid lapses. My Hon'ble Colleague, also in his Budget speech, explained how our machinery has been improved to such an extent that this year there has even been a slight excess over the grant; and that he can no longer count on the windfall which has too often accrued to Finance Members in the past from a material lapse on the budget provision. In framing the programme for the year the bulk of the funds available—nearly 9-10ths in fact of the whole—has again been devoted to open line expenditure and to purchase of rolling stock, and the Railway Board have especially borne in mind the importance of pushing on works designed to relieve congestion, but I will not deal further with these as my Hon'ble friend, Sir T. Wynne, will presently give some account of them to Council. We have also continued to pursue the policy, to which I referred last year, of applying to Indian Railways the lessons which we can gain from the experience of other countries. I referred then to the deputation of Major Cameron to America to inquire into the working of the A. B. C. system of Train Control which had previously been favourably recommended by Mr. F. D. Couchman and Major H. F. E. Freeland in their report on British and American Practice of Controlling and Signalling Railway Trains. As the result of Major Cameron's report on the system, which he investigated in actual operation on the Northern Pacific Railway, the Railway Board have ordered the A. B. C. system in combination with telephonic communication to be installed on the Lahore-Lalamusa Section of the North-Western Railway and on the Calcutta-Damukdia and Calcutta-Budge-Budge Sections of the Eastern Bengal State Railway. These sections have been chosen not only on account of the density of traffic, but also in order that the operation of the system may be watched closely by the Head-quarters officials of the railways concerned. It is confidently anticipated that the new system will be safer and will increase the capacity of the sections worked owing to the more intelligent control it renders possible over the running of trains than under existing conditions. The installations must, however, be considered experimental as the A. B. C. system has not so far been used on Indian main lines, but the results will be closely watched and the use of the system will be largely extended if it proves successful. I should add that the Great Indian Peninsula Railway Company, as the result of independent inquiries in England, have decided to experiment with a similar system of train control between Shegaon and Nagpur, a section of their line on which traffic is especially heavy. At the same time the examination has been pushed on of the potentialities of electrification in connection with suburban lines in certain areas. The well-known firm of Consulting Engineers Messrs. Merz and McLellan have been investigating the whole question of electrifying the suburban lines of the great Indian Peninsula and Bombay,

Baroda and Central India Railways at Bombay and of the Eastern Bengal Railway at Calcutta. This investigation has involved the collection and consideration of a mass of statistics with reference to the working of the suburban traffic of those railways, and it is a matter for congratulation that the enormous amount of work involved has been satisfactorily completed in so short a time. The Railway Board are expecting very shortly to receive the Consulting Engineer's report on the proposed Eastern Bengal Railway electrification. The Great Indian Peninsula and Bombay, Baroda and Central India Railway reports will have to be considered by the Home Boards of those railways before submission to the Railway Board, but the reports are understood to be complete, and there is no reason to anticipate any delay in the matter. It is anticipated that the three reports will enable the Railway Board to formulate definite proposals to the Government of India, but it is of course impossible at this stage to foreshadow the nature and extent of any recommendation that may be made. Government have also deputed an officer to obtain for them detailed expert information from America on certain matters relating to the efficient maintenance and operation of locomotives, a very important factor in the efficient handling of traffic and consequent prevention of congestion. Mr. H. L. Cole, a District Locomotive Superintendent of State Railways, who has made a special study of fuel problems has been sent to America to sudy the American practice in the use of oil-fuel on locomotives; the work of the United States Bureau of Mines in relation to railway fuel problems; and the organization of work in modern large American railway repair shops. From what I have said Council will appreciate that the various lines of progress which I put before them last year, have been steadily and energetically pursued. Government, in a word, have no intention of relaxing their efforts until, with the ready and active co-operation which they are receiving from the Companies, they have seen their railways brought fully up to the standard required to meet the rapidly increasing commercial and industrial needs of this great country.

"The other subject on which I wish to say a few words to Council to-day is the Railway Board. The Board has been in existence now for nine years, and Government have recently passed in review its organization and working, and with the sanction of the Secretary of State have decided to make in its constitution certain changes which were announced a few days ago. In future, instead of the Board consisting of three Members all having railway experience, one Member is to be selected for financial and administrative, or for commercial experience, while railway experience is to remain as before a necessary qualification for the other two members. It has been decided also that any one of the three members of the Board will be equally eligible for the appointment of President, and the power the President has hitherto held of overruling his colleagues is to be materially modified. These may not seem to be very large or far-reaching changes, but the review to which the working of the Railway Board has been subjected, has not suggested that there are defects in the present administration of our railways of such a kind as to call for any radical change in its organisation. Like all railway administrations in all countries, the Railway Board has received there full share of criticism; but the critics have not always allowed for the difficulties which have stood in the way or for the good results which, in spite of those difficulties, the Board has actually achieved. During its tenure of office the financial results of Indian railways as a whole have reached a level unique in their history. The great increase in earnings could not of course have occurred without the boom in trade through which the country has been passing, but equally the increased traffic which it represents could not have been carried but for the improvement in the equipment of our Railways and the increase in the carrying capacity of the lines, which has been effected since 1905 under the Railway Board's regimen. In illustration of this I may mention that the increase in the ton-mileage of goods carried by railways in the year as compared with seven years ago amounts to the remarkable figure of 60 per cent. During the Railway Board's tenure of office Government's financial control over ex-

penditure has been strengthened; the design of rolling stock has been much improved; the cost of fuel has been greatly lowered by the institution of the Board's coal purchasing department, which now controls the purchase of three to four million tons per annum; and last, but very far from least, a great impetus has been given to the development of the construction of feeder lines with capital raised in India outside of the Railway Programme. At the same time, as the Railway Board has to deal not only with important technical questions, but also with large administrative problems which often have an important financial aspect, it has seemed desirable to Government to introduce a non-railway element into its constitution. We hope in this way to increase its efficiency on the administrative side, and I am sure all those Hon'ble Members in this Council, who know Mr. Gillan, the first occupant of the non-railway membership, will agree with me that the Railway Board is fortunate in having secured the assistance of an officer of such marked financial and administrative abilities, and that I owe my Hon'ble Colleague, the Finance Member, a very real debt of gratitude for not having insisted on his department's prior claim to Mr. Gillan's services.

"I have touched very briefly on the work of the Railway Board in these nine years of its existence, and this brings me by a very natural transition to the subject of the only Member of the Board now remaining in India, who was also a Member at the time of its institution, the Hon'ble Sir Trevredyn Wynne, who completes his term of service as President of the Railway Board very shortly after the close of this session. Sir Trevredyn Wynne has had a remarkable career on Indian Railways. He entered the State service 39 years ago; was an Agent of a Company-worked line at the unusual age of 33; and subsequently returned to the service of Government as a Member of the Railway Board in 1905, and as President from 1908 to the present time. Indian Railways owe much to Sir Trevredyn Wynne. An executive officer of great ability, and an indefatigable worker, he has never spared himself in their service; a no less strenuous fighter, as becomes one of Celtic race, he has always been ready to break a lance on their behalf against critics and detractors; but at the same time he has never closed his mind to possibilities of their improvement or been unreceptive of new ideas to be gathered from the experience of other countries. He has the satisfaction now when he is about to surrender the *gadi* of having in his last years in India seen railways reach a pitch of prosperity, which the most optimistic of prophets would scarcely have ventured to anticipate a few years ago; and we on our side have the satisfaction of knowing that his services will not be lost to Indian Railways, but only translated to another sphere when he takes up the post of Government Director of Indian Railways at the India Office. I am sure Council will join with me in wishing him all prosperity in his new work, and in a very genuine expression of regret that the time has come for him to leave India, after a period of service which has been notable in the history of railway development in this country."

The Hon'ble Sir T. R. Wynne:—"The Hon'ble the Finance Member has dealt so fully with the financial results of Railway working for the year 1913-14, that there is no need for me to refer to them again.

"There is one point, however, on which I should like to lay stress, and it is this:—that the very large advance made in the Net Result in the year 1912-13 has been maintained during the year 1913-14. After such a rapid rise as occurred in the period between 1910-11 and 1912-13, amounting to no less than about 3½ million sterling, it would not have been unreasonable to expect a set-back; but this has not happened, and we have in this an indication of the change which has come over the trade of the country, and a measure of the extent to which its Railways are meeting public requirements.

"During the year the policy of improving existing lines was steadily pursued.

"The amount provided for Capital expenditure on Railways from Imperial Funds was 18¼ crores, and of this amount 15 crores were devoted to open line works and rolling stock, 3 crores to lines under construction and 25 lakhs to commencing new lines.

"As all renewals and replacements up to the original standard of the line are met entirely from revenue, as a debit to working expenses, the figure of 15 crores which I have quoted represents the sum devoted to betterments in, an additions to, the equipment of State-owned railways.

"Of these figures the following were the most important allotments :—

(Figures in thousands of rupees.

	Rs.
To the East Indian Railway	2,42,85
„ Great Indian Peninsula Railway	3,56,21
„ Bombay, Baroda and Central India Railway . . .	1,41,75
„ Bengal Nagpur Railway	1,85,14
„ North-Western Railway	2,95,81
„ Eastern Bengal Railway	1,36,30

"The open line works which are being carried out to increase the carrying capacity of Railways are of immense number, and many of them involve heavy expenditure. As these works are completed and brought into operation, each helps to improve the position, and steady progress is thus made which attracts no particular attention, but which results in Railways being able to deal every year with more and more traffic. As illustrating this, Railways during the year 1913-14 will probably earn 70 lakhs more than was earned during the trade boom of 1912-13, and whereas during that year complaints of shortage of transport were unfortunately very general, in the year 1913-14 there has been a great improvement in this respect, though I regret to say there has been considerable congestion on the Eastern Bengal Railway, and the coal trade is at the present time very much hampered for want of transport.

"The most important works designed to relieve congestion which have been completed or are now in hand are—on the East Indian Railway the construction of the Burdwan-Howrah Chord. This, though a new line of Railway and not an open line work, in the ordinarily accepted sense, has been projected with a view to affording direct access to Calcutta from the coalfields and to lessening the strain upon the existing main line. Wherever necessary the company are improving their junction arrangements and laying down additional passing sidings and tracks, so that they may be in a position to handle the additional traffic which rolling stock is being provided to carry.

"On the Great Indian Peninsula Railway the line is being quadrupled between Kalyan and Bombay, which will very largely increase the carrying capacity of the line on its terminal congested section. This involves the construction of a double line tunnel over ¾ths of a mile long, which will rank as second only to the Khojak in point of length.

"The reversing station on the Bhori Ghat is being cut out by the construction of a short chord with a reasonable grade.

"The line between Shegaon and Nagpur is being doubled.

"In fact all over the Great Indian Peninsula Railway works are in progress designed to enable that Railway to deal with its steady growth of traffic.

"The North-Western Railway have completed and opened the double track of the Amballa-Saharanpur line, as well as the important junction yard at Saharanpur, arrangements which will enable that Railway and the Oudh and Rohilkhand to deal with all famine traffic from the North-West of India to the United Provinces in case of scarcity in that area.

"On the main line to Karachi 190 miles of line between Kotri and Rohri are being doubled. When this is done we shall have 500 miles of practically continuous double track from Karachi towards the wheat-growing areas for which it is the port.

"The South Indian Railway have completed the very important improvement in the connection between Ceylon and India. It is possible now to proceed by train to Daneshkhodi at the extreme end of the Rameswaram island crossing the Pamban straits by a fine viaduct with one large lifting span across the navigable channel.

"From Daneshkhodi an hour's steaming in a fast and very up-to-date turbine steamer brings the passenger to Talai Manar in Ceylon, which place has been connected by rail with the main system of the Ceylon Railways.

"On the Eastern Bengal Railway large sums have been and are being spent, and it is a line on which large sums have still to be spent to enable it to deal properly with the very important jute and tea trade which it has to handle and to meet the great expansion of general traffic on that Railway.

"The line between Naihati and Calcutta has been quadrupled and opened to traffic, and large terminal improvements are in hand.

"The Sara Bridge is approaching completion, and it is impossible to over-estimate the relief which trade will receive when it is opened to traffic. The difficulties under which the transhipments at Sara are carried out are enormous, owing to shifting ghats and unfavourable climatic conditions.

"With regard to rolling stock, to enable Hon'ble Members to appreciate the advance that has been made in this direction, I think it would be useful to repeat the figures which I gave when replying to a recent question asked by the Hon'ble Raja Kushal Pal Singh.

"Including the wagons which have been added to stock, and those contracted for and under supply, the increase of rolling stock on Indian Railways during the last six years has been—

Broad gauge wagons	50,000
Metre gauge wagons	12,000

"As I have already said for the year 1913-14 the amount provided for capital expenditure on railways was 18¼ crores. For the coming year, 1914-15, the amount is 18 crores. These figures show a very great increase on the amounts provided in former years, and indicate how much alive the Government of India is to the advantages of Railway development in India.

"But this is not all. In former years the Budget provision was not always spent and lapses occurred. Now under special arrangements approved of by the present Hon'ble Member, Finance Department, steps have been taken to ensure that, as far as possible, the funds allotted in each year will be utilised to the full, and in fact during the present year it is possible that the expenditure may actually be slightly in excess of the Budget provision.

"In the past Railways have had great difficulty in spending their grants, especially in connection with expenditure in England. As a rule the greater part of the capital expenditure on Railways takes the form of outlay on imported material. We in this country have no direct means of controlling the rate at which such material is supplied in compliance with an order, and therefore it was considered necessary, to avoid any possibility of an excess, that indents should not be forwarded to an aggregate value in excess of the grant for English outlay. But inasmuch as such indents were never fully complied with within the year a lapse in the English grant was the invariable consequence. The Finance Department have now agreed to indents being sent to England for material of which the probable cost exceeds the amount of the grant, recognising that in practice supply will in some cases be deferred till after the close of the year, and that though liability is incurred for expenditure in excess of the grant, an actual excess of any importance is, if reasonable caution be exercised, improbable.

"Last year I explained to this House the terms under which the Government of India was prepared to assist private enterprise in the formation of Companies with rupee capital and domiciled in India, to construct Branch feeder lines to the Main Companies.

"The improved terms were introduced in 1910, and it took some time for their liberality to be appreciated. I am glad, however, to be able to report most substantial progress in this direction.

"During the year 1913-14, a sum of no less than 190 lakhs was raised in India for the construction of feeder lines by Branch Line Companies, the most important flotations being the Sara-Serajgunj, the Mandra-Bhon and the Burdwan-Cutwa Railway Companies.

"It seems clear that Indian investors are beginning to appreciate the value of an Indian Branch Line Railway investment, as a security which is stable, and regarding which every precaution is taken to ensure that the funds shall be spent for the purpose for which they were raised, and that the line when built shall be worked under conditions protecting the interests of shareholders.

"At the present time there are proposals before the Railway Board for constructing by these Branch line Companies a mileage of over 2,100 miles involving the raising of over 10 crores of capital.

"In Madras, the construction of branch lines by District Boards has made a most decided advance. In that Presidency for many years District Boards have been empowered to levy a Railway cess, the funds so raised being devoted to the construction of branch lines to open out the District. Large sums have been collected, but the difficulty has been the length of time required for each District Board to collect the amount required to construct the particular branch line which it desires to make. The problem was to find means of raising additional funds to supplement the amount collected by the Railway cess, so as to provide the capital required to build the District Board line.

"By the energy of the Madras Government this difficulty has been overcome, and District Boards in Madras are now able to borrow on debentures the balance which they require, and I look forward to a large expansion of District Board Railways in that Presidency at an early date.

"It may be useful to explain that in the Madras Presidency only are District Boards at present empowered to levy a Railway cess. In Bengal, Light Railways have been built with capital raised on a District Board guarantee. The difference in the effect of the two systems is that in Madras the branch line belongs to the District Board which receives all the net profit; whereas in Bengal the net earnings go to shareholders, the District Board only participating to a limited extent in the surplus profits when these accrue.

"There seems no reason why District Boards all over India should not be placed in the same position as those in the Madras Presidency, and it will be interesting to see whether other Provinces decide to follow the lead of Madras in this most practical form of self-help.

"The one Province in India which is backward in Light Railway construction is Assam. The financial assistance which the Government of India is willing to give under the branch line terms does not seem sufficient to attract capital for lines in this Province. In the course of time such branches would become paying concerns, but while the country which the line served was being developed the earnings would probably not show much elasticity.

"The Assam Government is endeavouring to arrange that the branch line terms should be supplemented by a Local Government subsidy for a period of years, and I hope that before long it may be possible to arrange terms which will attract the requisite capital.

"It will perhaps be of interest to Hon'ble Members if I give a short account of the more important schemes connected with the construction of new railways which are now being completed or are likely to be taken in hand in the near future.

"In the extreme North the very useful Kalabagh-Bannu line, 2' 6" gauge, has been opened to Bannu. It is carrying a very good traffic indeed, and already requires more rolling stock. The extension of this line to Tank is now being made, and this will facilitate the construction of a cantonment there. Eventually no doubt this line will extend to Quetta. At the Quetta end the construction of the Khanai-Hindubagh line will probably be shortly taken in hand. The valuable chrome ore deposits at Hindubagh have been acquired by a powerful syndicate in London who intend working them fully. Besides this the Baluchistan Government has prepared an irrigation scheme to command some 200,000 acres of land about 40 miles from Hindubagh. This, I hope, will soon be taken in hand. These two factors, namely, the thorough exploitation of ore deposits and the extension of irrigation over a large area amply justify the construction of a Railway at an early date.

"Further north the completion of the Swat canal demands that the area to be irrigated should be served by a railway without delay. The scheme has been prepared and negotiations opened for the formation of a Branch Line Company to carry it out.

"In the Punjab, a very complete scheme of feeder lines to serve the Canal Colonies cross traffic has been prepared and is being worked out. It is a scheme involving the construction of some 1,500 miles of 2' 6" gauge lines. In view of the richness of these colonies there should be no difficulty in securing the necessary capital under Branch Line Terms.

"In the United Provinces, a similar scheme is being framed so that we shall have a comprehensive system of lines to work up to instead of dealing piecemeal with proposals for particular branches.

"During the year one most important matter has been receiving the earnest consideration of Government. I refer to the proposal to improve railway connections between Karachi, the United Provinces, and North-East India. The development of export trade from these areas through the Western Port is advancing very rapidly, and existing railway connections by the direct route are unable to deal with it.

"The interests of many railway companies, and of the Jodhpur and Bikaner Durbars as owners of an important railway system are all affected, and the whole question is one of considerable complexity in handling which it is necessary to ensure that existing interests are reasonably protected. A scheme has now been evolved providing this reasonable protection, and, though I am not able to explain it in detail, it will interest trade to know that the whole question has been thoroughly investigated, and that the result is likely to be an early improvement of existing conditions.

"In the Bombay Presidency, the Baroda Durbar and the Durbars of Kathiawar continue to expand the systems of feeder railways which they have built up, while I am glad to say that the long projected railway from Ranpur to Dholka is on the point of being begun, the Bhavnagar Durbar financing the length in their own State, and Imperial Funds being provided for the length in British territory.

"In the Central Provinces, the Bengal Nagpur Railway are now undertaking the survey of a 2' 6" gauge from Drug near Raipur to Salur *viâ* Bastur and Jeypore, a line much wanted to open out an area at present unserved by railway communications.

"In Bengal, the Bhairab Bazaar-Tangi line will shortly be completed and will give direct railway access between the Dacca District and Chittagong. This is by no means all that is required in the Dacca and Mymensingh Districts, and a large staff of engineers has been employed on surveys for further extensions.

"I hope that before many months are over Branch Line Companies will have been formed to construct railways from Mymensingh to Bhairab Bazaar *viâ* Netrakona, and from Mymensingh to Tangail. It is also proposed to build a branch of the former line into the Garo Hills to open out a coal-bearing area of much promise.

"In the same Presidency the construction of the Sara-Serajgunj Railway is in progress, while the surveys for railways from Godagari to Nattore and from Santahar to Malda have been completed, and it is hoped to find means of financing their construction at once. Many proposals for feeder lines here and there throughout the Province have been put forward, and the success which has attended the formation of the Burdwan-Katwa Railway Company may, I think, be taken as an indication that development through the agency of small companies with an Imperial guarantee will be rapid.

"In the Nizam's territory the important project of a metre gauge line from Hyderabad *viâ* Raichur to Gadag has already been begun. This line will give a direct route to Marmagoa from the Nizam's territory.

"Further south the Mysore State is showing great activity in railway construction, and has already in hand the Arsikere-Mysore line, a length of 106 miles and has other schemes it is anxious to find the capital for.

"While in the extreme South the Travancore line is being at last extended to Trivandrum.

"Recently at a debate in this Council some remarks were made about the conditions under which third class passengers had to travel, and they were described in terms which I cannot let pass without challenge.

"There is room for further improvement in the accommodation provided for the 3rd class passenger, but I maintain that enormous improvement has been made in such accommodation during recent years. Nothing but long bogie carriages are now being built for third class passengers, the underframes and bogies being of the same type and standard as for first class passengers. Lavatories and upper bunks are provided, and, compared with the 3rd class four-wheeled stock in use a few years ago, the improvement is most marked

"The best evidence that this class of passenger is fairly well contented with his treatment is the marked increase in the number of those who travel. If the difficulties experienced were as bad as it is alleged, 3rd class passenger traffic would not show the continuous expansion which it steadily maintains.

"Crowding occurs on every railway in the world at certain times when large bodies of people all want to travel at the same time and by the same train, and I have often experienced such crowding in countries other than India when travelling on such occasions; but I maintain, basing my contention on personal observation, that in most cases the third class passenger travels with reasonable comfort, and during my long tours over Indian Railways when, as I constantly do, I look into third class carriages to see how the passengers are getting on, I find that they are not overcrowded and are contented. The great difficulty with third class traffic is not so much the number of those that travel, but the enormous amount of personal luggage and property which they insist on taking with them into the carriage, which blocks the floor-space and occupies sitting room.

"Reviewing the position of Indian Railways at the present time one cannot help being impressed with the marked changes that have occurred within the last few years. Indian trade, agricultural as well as industrial, seems to have undergone a most rapid change for the better, and judging by the results of the last two years this development is likely to grow at a still more rapid pace. On all sides I hear from Railway Agents how brisk their business is, and that new forms of traffic are growing up and old ones expanding. No longer is a Railway busy one half of the year and slack in the other. The tendency now is for a Railway to be busy all the year round and on every part of its system. This change carries with it an obligation to keep Indian Railways abreast of the development of trade, a policy which the Government of India intends, I feel sure, to carry through."

The Hon'ble Sir Reginald Craddock:—"Sir, the Budget heads with which I am concerned are Registration, General Administration, Courts of Law, Jails, Police and Medical. An explanation of the principal variations under these heads is given in the Financial Statement, and it does not seem

necessary to take up the time of the Council by repeating them. The only two heads on which I would like to make a few remarks are Police and Medical. As to Police it is impossible to stand still. Although the measures taken for improving the Criminal Tribes have not been without effect in reducing the crime committed by this class of hereditary offenders, these have not at present touched a large class of criminals who are drawn from all castes and creeds and who drift into crime by bad example and lack of control, or preference for making a dishonest living by more exciting methods to making an honest living by more humdrum methods. The increase of education exercises a very slow effect in the reduction of crime, and for a time at least it merely tends to make the criminal more clever and daring. In the same way facilities of communication which may help detection and capture may be equally well used by criminals themselves in avoiding detection and capture. Secret criminal organizations consisting mainly, if not entirely, of men of some education have been springing up in our midst, and crimes of violence are not on the downward grade. The demands on the police therefore were never more exacting than they are now, and call for improvements in methods and greater intelligence in order to cope with the criminal. The reforms advocated by the Police Commission for improving the pay and status of the police have now mostly been put into effect, but already some of the scales of pay which they recommended for the subordinate police are being overtaken by an increase in the cost of living, and have to be met by further increases of pay wherever the increased cost of living has been most marked, and the rise of general wages has been greatest. In spite of many defects and shortcomings which can only be eliminated gradually, and which are being eliminated, India has cause to be proud of her police, who have given many signal proofs of high courage, fidelity and devotion to duty. If the annual bill for maintaining the police force in a state of efficiency, and contentment and for eradicating its faults, as they are being gradually eradicated, should go on slowly but surely rising, the country will have no cause for complaint. In this, as in all matters, it must keep abreast of the times, and there is no branch of administration in which any false economy would have a more disastrous effect on the peace and well being of the people.'

"Turning now to Medical, by far the greater portion of the expansion of expenditure under this head of recent years falls under sanitation as distinct from medical relief, that is to say, under prevention as distinct from cure. And whereas the carrying out of large sanitary schemes is a matter in which, under your able direction, Sir, provincial and local resources require to be generously supplemented by Imperial subsidies, Medical relief proper is regarded as falling more properly within the exclusive sphere of provincial and local finance. Last year we were able to provide a sum of 10 lakhs in aid of these resources, and I much regret that we have not been able to repeat these subsidies, but if I may say so, with respect to the Chair, even your insatiable appetite, Sir, for education and sanitation grants has had to be satisfied this year with smaller meals. Although medical institutions have, so to speak, been relegated to a less prominent place in our Budget proceedings, yet they have received and are receiving increased attention from every provincial Government. In bringing medical relief nearer to the doors of the people, and in making it more efficient, the Government and private effort have their own proper spheres and functions. There need be no antagonism between them; they can work side by side, each supplementing the other, but it is greatly to the interest of the medical profession that State medical relief should not be abused by the well-to-do. There is work for all; there are millions of patients, and the State's function is to provide the greater hospitals, and to further the medical treatment of the poor.

"As regards the private practitioner, we must see that his medical education is sound and thorough, and that he takes up his profession and practice with a proper hallmark of recognition upon him. It would be most inconsistent if we were to insist upon rigid qualifications in the case of the profession

of law but relax such restrictions in the case of the profession of medicine. It would be tantamount to placing property before life.

"The State is bound to see that its own institutions are manned by the best material available, and that medical colleges and schools have as good professors and lecturers as can be found, whether drawn from England or India, so that the ever increasing ranks of the medical profession may be worthily filled by men who can be trusted to carry on in their daily practice the best traditions of a noble profession.

"The Calcutta School of Tropical Medicine, of which the foundation stone has recently been laid, marks a great advance in the study and research of disease and sickness, and Local Governments are vieing with one another to raise the status of their medical institutions, as their several resources permit. The Council may rest assured that the medical needs of the country are a matter of deep concern to the Government of India."

RESOLUTION *RE* EMPLOYMENT OF WOMEN MEDICAL PRACTITIONERS.

The Hon'ble Mr. Pandit:—"Sir, I beg to move—

That this Council recommends to the Governor General in Council—(*a*) that the balance in the hands of the Government of India be reduced by a sum of rupees one and a half lakhs, and such amount be applied towards the employment of women medical practitioners on a scale of salaries corresponding to that of Civil Assistant Surgeons with a view to affording greater medical relief to women; and (*b*) that the balance in the hands of the Central Provinces Administration be reduced by a sum of rupees forty-five thousand and the total provision for the Province under the expenditure head 24—Medical be raised to rupees nineteen and a half lakhs with a view to the additional sum of forty-five thousand being devoted to the further extension of medical aid by increasing the number of dispensaries and by enlarging the number and prospects of trained nurses and midwives attached to Hospitals and dispensaries in the Central Provinces and Berar.

"Sir, it is an irony of fate that it falls to my lot to move the first part of the Resolution, which might more fittingly have been moved by the Hon'ble Member in charge of the Home Department. In this Council there are, I believe, many members of the Central Committee of that excellent organisation commonly known as the Countess of Dufferin's Fund, which has been working steadily for many years past to administer medical aid to women in this country, and it would have properly fallen within the sphere of activity of one of those Hon'ble Members to have moved for this grant in order to carry on their work more successfully and earned greater gratitude from the country. It happens, however, that, although they have striven to do their best in this cause, they have succeeded only partially.

"Some time ago—I believe about a couple of years ago—a communiqué appeared in the press as to the pressure brought to bear upon the Secretary of State in Council by a number of ladies in England with a view to organising a proper medical service for women in this country. We know that the Countess of Dufferin Fund which has existed now for many years started with a small nucleus. Lady Dufferin collected 7 lakhs of rupees at the commencement; in later *regimés* Lady Curzon, I believe, raised another 7 lakhs of rupees, and the gracious lady who shares the burden with His Excellency the Viceroy of all matters appertaining to the welfare of India and whose inimitable fortitude in the hour of danger and distress on a historic occasion has enshrined her name for ever in the hearts of the people of India has, I believe, recently been able to raise 14 lakhs of rupees for establishing a medical college for women in Delhi, and has earned the undying gratitude of Indian womankind and their male sympathisers. All these efforts made from time to time by the foremost lady in the land, I mean the wife of the Governor General of the time, have been supplemented by the wives of the heads of Local Governments and Adminis-

trations and the provincial Governors and Administrators have themselves also from time to time exerted to enlarge the scope and enhance the value of the work done by the Countess of Dufferin Fund by organising, with the help of prominent ladies and gentlemen, provincial associations, subsidiary to the central association and by increasing the resources of the Central Committee as well as those of the provincial branches To advance the cause and increase the utility of the work done by this National Association for supplying Medical Aid to Women of India, with the sanction of the Secretary of State for India, the Government of India has made an annual recurring grant of one and a half of lakhs of rupees. With all this, all that has been accomplished is that, so far as the more highly qualified ladies professing the practice of medicine are concerned, only 25 could be entertained with the resources at the command of the Countess of Dufferin Fund. There are also medical women of lower grades who are engaged by the various provincial branches of the Countess of Dufferin Fund, but their number is altogether insufficient for the needs of the country. Of course there is also the still lower class of sub-assistant surgeons which also includes a certain number of medical practitioners. It has been recognised that, so far as the western system of medicine is concerned, in order that it should be popularised amongst the women of this country the agency of medical women would be the best that could succeed in achieving the object. This agency is still more necessary in this country than in other countries, for the reason that a large proportion of the women of this country observe *pardah* and do not appear in public or before men who are not nearly related. The old systems of medicine, the *Ayurvedic* and the *Yunani*, are somewhat losing ground, and taking the whole of India by reason of loss of patronage and a falling-off in the standards attained in former days, there is less scope now for useful work through that system unless greater efforts are put forward by those who practise those systems in order to give them a more scientific basis and to give a wider training to the younger generation. I admit that efforts are being made in this direction and they are laudable, but for the great bulk of the people now-a-days the western system of medicine is the one upon which reliance has to be placed for the cure of many of the ills to which mankind is heir.

" Sir, the main object which I have in view in moving this part of the Resolution is that through the useful activities of the Association to which I have already referred further medical relief should be afforded to women in this country. In the first place as I have pointed out with regard to ladies of the highest skill and training, their number is limited. At one time a certain amount of discontent was caused in the country by the tentative rules which were promulgated by the Countess of Dufferin Fund with regard to the enrolment of practitioners in this branch of their service, but I am glad to learn that recently those rules have been so far modified as to admit ladies whose medical qualifications are obtained in this country, provided, of course, that they are considered fit and proper to be employed in that position. That would undoubtedly relieve the anxiety of many people who have the welfare of the country at heart and who are specially interested in creating a class of women medical practitioners in this country and training them up for work of the highest skill. My Resolution, however, concerns itself only with what I call the comparatively lower class. It will be found that ladies of the highest class are attached to hospitals and dispensaries only in a very few places, mostly at the head-quarters of provinces and other big centres. Even in those places it is very often necessary to have another lady medical practitioner of the position of an Assistant Surgeon who can in case of emergency be of assistance to her superior in carrying out operations and various other means of medical relief. But this provision, so far as my information goes, does not exist in the case of every hospital to which such a lady is attached. I admit that in many places missionary efforts have started institutions for the relief of women where some ladies of superior qualifications are practising medicine, and no doubt in such places, in case of an emergency, help can be counted upon. But that is not so in every

case, and I would earnestly desire that wherever such additional provision does not exist, in a hospital and even where such outside assistance is available in order that in that particular locality medical aid should be rendered promptly and fully, there should be provision for an additional lady doctor answering to the description which I have given in the first part of my Resolution, to be attached to the hospital.

"But what I particularly wish to encourage more is the creation of a class of medical practitioners to work at district head-quarters and other suitable centres. Sir, I find that already there exist some dispensaries where ladies with these qualifications are entertained.

"I believe the qualifications are generally known as college certificates, which do not exactly correspond to the Degree in Medicine of a University, but while embracing the same set of subjects the standard required is somewhat lower. Now, the number of these ladies is not sufficiently large to meet the requirements of the situation. I am of opinion that at least in every district headquarters—not necessarily all at once but in course of time—there should be a hospital for women where a lady of these or higher qualifications corresponding in rank to a Civil Assistant Surgeon should be employed. There are many advantages which would accrue from this method. Of course the first, the primary object of administering medical relief will be better served by this means. No doubt the feeling against treatment at the hands of male practitioners is not so strong at present as it was in days gone by, and in the case of ordinary ailments male medical practitioners are called in in order to cure them; but as every one must know there are peculiar illnesses for which women require the aid of medical women. They are, I believe, described in medical language as 'genito-urinary' diseases. In addition to that we also find that the existence of such a class of medical practitioners would be of use in other ways. We are reminded by the Hon'ble the Home Member that sanitation is receiving a great deal of attention and a larger amount of money than medical relief, because prevention is better than cure. I fully agree that so far as the environment in which the population lives is concerned, if that environment is made more healthy, it will conduce to the reduction of diseases and these ailments; but besides the outward environment there is the home environment which also requires considerable improvement, and I venture to submit that, if ladies of this description were available in every district head-quarters and other important centres, they would be most helpful in creating among the women of this country in general a desire for healthier homes. I also think that ladies who would usually be available for employment on these salaries for these posts would be Indian ladies, and by reason of their being inhabitants of the country, knowing the ways and habits of the people, and knowing their language, they would be able to enter into the confidence of the women more easily and would be able to administer medical relief more successfully. Sir, my experience is that there is at the present time a tendency among people of enlightened views possessed of means, and who are disposed to give any amount of money towards charitable objects, to avail themselves of medical institutions as one of the best upon which they could bestow their endowments, and I know from personal experience in my own province that institutions like these have sprung up in recent years, and that gentlemen have come forward—especially with regard to hospitals for women—to endow dispensaries, to build them at their own cost—and in fact to do everything short of taking over the entire liability for maintenance. At these dispensaries women of the class that I refer to in this Resolution are required, and they have been engaged on salaries ranging from Rs. 100 to Rs. 150 with further prospects held out to them. Now, if an organisation, like the Countess of Dufferin's Fund, had at its disposal a sum of money such as I propose should be allotted for this object, I feel sure that it would be possible to entertain the services of a large number—I should say 60 or 70 ladies of this description, who could be made available for these dispensaries, and as both react on one another, the dispensaries will come into existence as soon as there are women of this class available.

"Sir, in my Resolution I have not asked for this grant being made over to any particular province or distributed among the several provinces in any particular proportion. Nor have I asked that the Government of India should themselves employ these medical women in order to administer medical relief. I feel that that is a large question which it would not be advisable for me at this stage to raise. It is sufficient for my purpose if the funds are available for some organisation to carry on the work which I have described. In connection with this I wish to point out that there is a large number of Indian women going in for higher education, and of all branches of education Medicine is the one to which they appear to take most readily and willingly. I do not maintain that every one who goes in for the study of Medicine persists in it to the end, because no more in the case of females than in the case of men can we expect that every one of them will be able, after undergoing training for a certain period, to stand all the strain and to have the nerve which is requisite for carrying on the medical profession. None the less, I am sure that as there is a greater desire for female education in the country and a class of people is springing up eager to give their daughters and sisters and other relations the benefit of higher education —and especially of medical education,—a sufficient'y large number of persons will be found who would be eligible for service of the kind that I have mentioned. It is rather an unfortunate circumstance that in this country, by reason of the prejudice against widow re-marriage—I do not say whether the prejudice is well founded or ill-founded—buf by reason of that prejudice there is a large number of widows and many of them are more or less devoting their lives to useful work for the benefit of their kind, and such ladies if they were willing to avail themselves of the facilities for higher education would much rather welcome the profession of medicine than any other, as that profession above all would give them a greater opportunity of doing good to mankind—" rather, I should say, womankind.

"It may be said, if that is so, where is the necessity for placing this money at the disposal of some Fund in order that they may be employed: why cannot they start as private medical practitioners and administer to the needs of their own sex? Sir, the answer is simple. Private medical practice has not as yet reached, even among men in this country, the stage which it has reached in other countries. The Hon'ble the Home Member just now reminded us that it is desirable that State dispensaries or charitable dispensaries should not be resorted to by the wealthier and well-to-do classes for free medical relief, and that these should be reserved more or less for persons who cannot afford to pay for their medical relief. As a matter of fact, however, as gentlemen who have experience of these charitable dispensaries will know, there is a large class of the ordinarily well-to-do persons who resort to charitable dispensaries; in these circumstances, when the male private practitioner with all facilities open to him for securing a good practice, is more or less always handicapped, how is it possible that women medical practitioners starting private practice can hope to achieve success? I submit, therefore, that in the earlier stages in the case of women medical practitioners, as was done in the case of male medical practitioners, the State should come forward to their assistance and should give them encouragement. A fixed income of Rs 150 per mensem or something of the kind would give them the requisite impetus, and with private practice such as their abilities may command, they would be able to increase their resources and make a living of the most respectable kind Sir, in urging this proposition I am aware that there may be difficulty for a short time in recruitment; but as far as my information goes, there is a very large number of women medical practitioners even at present, and if the monthly salaries are Rs. 150 rising by an annual increment, say of Rs. 15, to Rs. 300 as maximum, with the prospects in the event of these ladies having better qualifications, of entering the higher service, I think that the service will be most popular and will attract a large number of women.

It may be urged that in stating the amount of a lakh and a half of rupees, I have not placed before the Council any cut and dried scheme as to how that

amount is to be utilised. I will not venture to put forward any such scheme; but I will venture to say that in the offices of the Government of India themselves a scheme ready-made will be found somewhere which will answer the purpose I have in view. Sir, as the object of medical relief to women is one which must be near the heart of every one, and as every one must be recalling to memory how much more readily women in India would rather suffer ills than go to a male medical practitioner, the importance of providing such medical relief will be easily realised. Then one of the other advantages which I referred to would be that at each district headquarters there will be a medical practitioner available for the purposes of medico-legal examination which becomes very often necessary not only in criminal but also in civil cases, and it is in the highest degree desirable that when these occasions arise, the advantage of a lady medical practitioner should be availed of; I need not refer in detail to the cases of the post mortem examinations which have sometimes to be carried out for which it is eminently desirable that for females there should be lady doctors available. From all these points of view, and with a view to advancing the best interests of the country, and encouraging the class for whom I wish to make this provision, I venture to think that this Council will be willing and ready to recommend the grant which I have asked for, to the Governor General.

"Sir, with regard to the second part of this Resolution, I must offer an apology to this Council for introducing here a purely provincial matter; and it will appear perhaps to the Council that I have merely taken advantage of the loophole which is provided in the Rules of Business by the circumstance that the province which I have the honour to represent has not yet got its provincial Council, though it is almost within sight. But in putting this Resolution forward in the form in which I have done, I wish also to point out as was evidenced by Resolutions previously moved the necessity all over the country for greater provision for medical relief, by the establishment of dispensaries and by enlarging the number and prospects of trained nurses and midwives attached to hospitals and dispensaries. Sir, this Resolution, so far as my province is concerned, deals not with any particular class or with any particular community nor with any particular sex, but is one which provides for the welfare of the people of the province in general. It therefore stands on a very different footing from the first part of the Resolution. Now every one in this Council, I am sure, is agreed that the rich and the poor alike of any country should have medical relief brought to their doors and afforded to them as extensively as it could possibly be afforded. At present, if I may say so without going into statistics, the dispensaries which exist in the Central Provinces are few and far between; and what one would desire is that a dispensary should exist at each centre of a group of populous villages so that it might serve not only the particular town or village where it is situated, but also a number of villages within a radius say of eight or ten miles. If the establishment of a dispensary at such centres will not suffice for the object, I would even go further and advocate the establishment of fully equipped camp dispensaries, so that they might serve the purpose more successfully. Sir, I shall have done in a very few moments and will not detain the Council long over this provincial matter. In this connection again, I wish to point out that the establishment as regards nurses and midwives is very scanty, and I need not remind Hon'ble Members of this Council that nursing counts for half the relief in the case of a patient, and I advocate this as one of the objects to which a portion of the money should be allotted in order that the staff may be increased and a higher salary given. In this connection again I may also say that charitably disposed persons are willing to come forward in order to give a certain amount of money to erect a dispensary and fit it up; but of course there are not many prepared to provide for its permanent maintenance. I am aware that the Government gives the services of sub-assistant surgeons gratis to these dispensaries; but there are also the salaries of the subordinate staff and contingency and other charges, and unless the local bodies are prepared and willing to meet these recurring charges such dispensaries cannot come into existence, and the resources of these local bodies

are limited. For this reason it is that I have put up this second part of the proposition; and although I have not put forward any ready-made cut and dried scheme, I advocate a larger outlay on medical relief in the direction I have shown, and I commend the Resolution to the acceptance of this Council."

The Hon'ble Sir Gangadhar Chitnavis:—"Sir, as a member of the Executive Committee of the Countess of Dufferin Fund, and as one knowing full well the great good it has done in the country, I am glad to find that such a Resolution has been moved, and I would support the first part recommending an additional grant of 1½ lakhs for the support of that institution. This is, however, the first time that an Imperial allotment has been made under this head, and it may reasonably be contended that time should be allowed for watching the results of the new policy. I think if the policy succeeds, next year will be the proper time when a request for an additional grant should be made.

"I do not doubt the utility of the policy which this Resolution recommends, but in my opinion it would be better to wait as regards its expansion until the appointment of the present staff of ladies has sufficiently popularised the movement in the country. Then again it has to be seen whether all this increased staff for which this proposed grant is intended will be available in the course of one year. This difficulty has been referred to by the Hon'ble Mr. Pandit himself in his speech. For these reasons I would request my friend to wait and see the development of this policy before he presses the Resolution.

"On the second part of the Resolution, it will be enough for me to say that the amount of increased allotment recommended is so small that elaborate argument in support is unnecessary. The object will appeal to all, and I am quite sure the money, if granted, will be usefully spent in the province to the satisfaction of all concerned. Considering the necessity of more trained midwives and nurses, I think the Local Government will not object to the allotment now proposed, and will readily agree if asked by the Imperial Government, to make the grant suggested in the Resolution."

The Hon'ble Mr. Rama Rayaningar:—"The Hon'ble Mover has given us an idea as to why he proposes to have an extra allotment of 1½ lakhs for women's medical relief. The proposal seems to be reasonable. We all know how useful are the services rendered by the institution of the Countess of Dufferin's Fund, which has been re-vitalised from time to time by the noble efforts of Lady Curzon, Lady Minto and Her Excellency Lady Hardinge, who, we rejoice to know, will shortly lay the foundation stone of a woman's medical college at Delhi. The grant already made for the support of that institution testifies to the commendable interest which the Government is taking in the matter. But the amount, as the Hon'ble Mover has observed, is not sufficient for the growing needs of the institution. It may help to increase the attractiveness of the superior service by improving the scale of pay and the conditions. But we want more hands, and that in the lower grades. Without liberal provision for the employment of an additional number of qualified women as assistants to the highly qualified lady doctors in the higher grades the utility of the hospitals of the institution will suffer. I even doubt whether the allotment suggested will be enough. With the development of the institution larger and larger grants will be necessary, but upon the materials before us we cannot at present reasonably ask for more than a lakh-and-a half. That amount, according to the estimate submitted by the Countess of Dufferin Fund Board, ought to be sufficient to make a fair start. This is an Imperial concern, and it is proper that the necessary funds should be given out of the Imperial funds. I accordingly support the first part of the Resolution.

"Sir, the second part deals with a purely provincial matter, and I have nothing to say about it either way."

The Hon'ble Sir Pardey Lukis:—"Sir, it is not necessary that I should tell the Council what a very strong interest I take both in the subject of the medical education of women, of the improvement of the prospects of medical women and of the extension of female medical relief to the women of

this country. I trust therefore that the Hon'ble Mr. Pandit will not think that I am attempting to throw cold water on his proposal, if I make a few criticisms on the first part of his Resolution. Most Hon'ble Members are aware that the Central Committee of the Lady Dufferin Association now receives from the Government of India a sum of Rs. 1½ lakhs per annum for the purpose of paying the salaries of medical women. This sum has been devoted by the Central Committee of the Dufferin Association to paying the salaries of medical women of the first class, and the reason why they have done so is this. Hitherto the pay of these ladies has been met to a large extent by the Provincial Committees, and the Central Committee thought that, if they took over entirely the payment of these first class medical women, they would thus set free the sums which have hitherto been paid by Provincial Committees and enable those Provincial Committees to do exactly what the Hon'ble Mr. Pandit wants; that is to say, would enable them to improve the prospects and increase the numbers of female assistant surgeons. This is the main object we have in view; but to increase the number of female assistant surgeons is not by any means an easy matter. There are two very grave difficulties to overcome. The first difficulty is that of obtaining women with a sufficiently high standard of preliminary education. Now I need not point out that you cannot build a house on a foundation of sand, and now-a-days when the practice of western medicine is becoming every day more and more complicated and scientific, it is absolutely impossible to train efficient medical women, unless they have received previously a sound preliminary education. The second difficulty is that a very large number of ladies in India who have a sufficiently good preliminary education will not go to mixed schools where they have to be trained with male students. That difficulty, as you know, Sir, we are hoping to overcome by the foundation of the Medical College for women at Delhi, the foundation stone of which is to be laid by Her Excellency Lady Hardinge on the 17th instant. In view therefore of these two difficulties, the want of a preliminary education, and the absence of a medical school entirely staffed by women, I feel that the Lady Dufferin Association could not possibly, in the present circumstances, dispose of a larger sum than we have at our disposal. I think it will be wise to wait a little and see whether the Provincial Committees are able to utilise the sums set free by the payment of first class medical women from the funds at the disposal of the Central Committee. If they can utilise this money, then it will be time enough to go up for an extra grant. That is the only criticism I have to offer."

The Hon'ble Sir Ibrahim Rahimtoola :—" Sir, I do not know what the circumstances of the other Provinces may be, but this I will say as regards the Bombay Presidency, that there is a sufficient number of Indian Medical women graduates of the University of Bombay who would be very willing to accept any appointments of the kind which are contemplated in the Resolution. As a matter of fact we recently invited applications for qualified lady doctors to be employed for Medical Inspection of girls in Primary Schools, and a large number of applications was received. We had only one vacancy while the number of applications was, I believe, between 30 and 40. It appears to me that if Government desire to spend this money in obtaining the services of qualified women graduates, far from having to overcome the difficulties pointed out by the Hon'ble the Surgeon General, there is at all events in Bombay a sufficient supply of qualified women medical practitioners holding the L. M. and S. degree of the Bombay University who would, I think, be quite willing to take up such appointments."

The Hon'ble Sir Reginald Craddock :—" Sir, my Hon'ble friend Sir Pardey Lukis, has explained with admirable lucidity the position of the Central Committee of the Countess of Dufferin Fund in regard to this matter of female assistant surgeons, and I need not repeat what he has said on that subject beyond saying that while the subsidy granted to the Central Fund by the Government of India of 1½ lakhs sets free an equivalent sum for the employment of these very medical women of the second class to whom the Hon'ble Mr. Pandit's Resolution refers, there is also the possibility

that Local Governments may see their way (it is not a matter on which we can press them), to subsidise from provincial grants the Fund in the same way as the Imperial Government has subsidised the Central branch. If they should see their way to doing this, then the resources of the fund will be made available to an even greater extent to the subsidiary services connected with hospitals. In spite of what the Hon'ble Sir Ibrahim Rahimtoola has said about the large number of medical women seeking employment in Bombay, I confess to feeling some doubt whether, if a large expansion in appointments of medical women of this class were to take place in various other parts of India, trained medical women in sufficient numbers would be forthcoming. The Hon'ble Sir Gangadhar Chitnavis, who comes from the same province as Mr. Pandit, has himself suggested a certain degree of caution over this matter. It is only very recently that ana dvance of this kind has been made, and it is well that we should proceed slowly and see how the money placed at the disposal of the provincial branches are utilised by them, and how far provincial Governments can see their way to supplementing these resources. But, apart from that, the particular measure which the Hon'ble Mr. Pandit recommended in his Resolution was that the balance in the hands of the Government of India should be reduced by a sum of 1½ lakhs. We have had all sorts of requests for the reduction of that balance over which my Hon'ble friend on the right (Sir William Meyer) stands guard. Whether the demand made be modest and large or modest and small, in all cases he has carefully considered on behalf of the Government what amount of balance should be left in the budget, and, having considered that he is naturally unwilling that the demands of various kinds from various quarters should be made upon him for diminishing that balance. I think, therefore, that if the Government do not accept the Hon'ble Mr. Pandit's Resolution, it will be apparent to him and to Hon'ble Members that it is from no desire whatever to fetter in any way the progress of medical education or the employment of medical women for the treatment of their sex. It is, as he says, an object which we all have at heart, and of our sympathy for which we have given practical demonstration.

"I come now to the second part of his Resolution, which deals with the Central Provinces. Well, the advancement of the Central Provinces in every respect is a matter which will always meet from me with the greatest sympathy. I was for five years Chief Commissioner of the Province, and during that time I was as anxious as Mr. Pandit is to further its progress in every respect. There is one point in which the Central Provinces have an advantage in respect to medical expenditure over many other provinces, and that is that the sub-assistant surgeons and assistant surgeons supplied to the dispensaries and hospitals of all kinds, are supplied at Government cost, whereas in other provinces district boards and municipalities have generally to provide the expense of that staff. Where local endeavour has come forward with subscriptions for a building and where the local municipality or the district board has expressed its willingness to give some contribution for the purpose, then the administration has never failed to do its share by supplying the sub-assistant surgeons or Assistant Surgeons required. This matter of increasing the medical expenditure is a matter which rests entirely with the Chief Commissioner of the Central Provinces, who will, before long, be assisted by a Legislative Council, and only a few months will elapse before the Hon'ble Mr. Pandit or one of his friends will be in a position to urge the claims of further medical relief upon the head of the administration. It would, therefore, not be proper for me to attempt to commit Sir Benjamin Robertson to any action in this matter. The sums allotted to medical relief have, as I know personally, been rising considerably of recent years, and last year, out of the ten lakhs distributed for this purpose to the various provinces, I was able to secure, what some people may consider a disproportionate sum of 1½ lakhs for the Central Provinces. There are no doubt many urgent needs of the kind described by the Hon'ble Member, and I have every hope that these will, in due course, be met. In the meantime, however. I can make no other statement on the subject than that I shall be very willing to bring to the notice of the Hon'ble the Chief Commissioner of the Central Provinces that this Resolution was moved and discussed in this Council."

The Hon'ble Mr. Pandit :—"Sir, I have very little to say now. It was only my object, with regard to the first part of the Resolution, to bring before this Council the needs of the country in the matter of medical relief for women. If the Hon'ble Sir Pardey Lukis and the Hon'ble Home Member, who take a very active part in the deliberations of the Central Committee of the Dufferin Fund, are satisfied that the needs of the country in this respect, in so far as they can legitimately be met, will be met by the measures which have been adopted, I certainly am not in a position to differ from them and to insist upon the immediate payment of this grant to that Fund. My Hon'ble friend to the left (Sir G. M. Chitnavis) has also long been a member of the Central Committee, and he counsels a fair trial being given to the service recently organized, and as a stranger I do not wish to go against the weighty opinions of the members of that body who have spoken on this motion.

"With regard to the second part of the Resolution, I am content with the statement the Hon'ble the Home Member has made. The Hon'ble Home Member was Chief Commissioner of the Central Provinces for 5 years, and he knows that, at any rate so far as I am concerned and my Hon'ble friend to my left, we have been advocating this cause whenever possible, and as Chairman and Vice-Chairman of the Nagpur District Council, it fell to our lot to secure the aid of public spirited gentlemen of means and provide new dispensaries in the district, and it is with the earnest desire of enlisting the co-operation and charity of the philanthropically disposed people, as much as with the object of benefiting the people at large, that I have proposed the second part of this Resolution. After the remarks which the Hon'ble the Home Member has made and his kindly assurance to bring these needs to the notice of the Chief Commissioner of the Central Provinces, I am sure that, although the Provincial Council itself may come into existence some time after the settlement of items of expenditure out of the allotments made has taken place, yet these requirements will receive the early attention of the Central Provinces Administration. I beg, with your permission, to withdraw the Resolution.

The Hon'ble the President:—"The Resolution is, by permission, withdrawn."

FINANCIAL STATEMENT.

SECOND STAGE.

The Hon'ble Sir William Meyer:—"Sir, I beg to introduce the following heads of the Financial Statement for 1914-1915.

REVENUE.	EXPENDITURE.
Opium.	Refunds.
Interest.	Opium.
Mint.	Stamps.
Receipts in aid of superannuation.	Assessed Taxes.
Exchange.	Interest on obligations other than the Public Debt.
Miscellaneous.	Mint.
	Civil Furlough and Absentee Allowances.
	Superannuation Allowances and Pensions.
	Exchange.
	Miscellaneous.
	Reduction or Avoidance of debt.

"I need not add anything to what has been said on these matters in my speech introducing the Financial Statement and in the Secretary's Memorandum."

The Council adjourned to Tuesday, the 17th March, 1914.

W. H. VINCENT,

Secretary to the Government of India,
Legislative Department.

DELHI:
The 17th March, 1914.

APPENDIX A.

(*Referred to in the Hon'ble Mr. Porter's speech*—vide *page 83*)

Statement showing Imperial grants for sanitation and for relief to local bodies for 1914-1915.

Provision has been made in the estimates for 1914-1915 for recurring subventions of 6·25 lakhs to compensate Local Governments for the loss entailed by the remission of certain contributions paid by local bodies for services performed on their behalf by officers of Government.

2. A non-recurring grant of 1 lakh was made during the current year for the Badrinath and Kedarnath pilgrim route in the United Provinces. The Government of India have further promised to contribute 1 lakh annually for five years from 1914-1915 towards the improvement of water supply and sanitation on this route provided there are not other claims of very pressing importance on the reserve grant for sanitation at the disposal of the Education Department. A recurring grant of ₹20,000 per annum will also be made from 1914-1915 for the sanitary and medical arrangements of the route.

3. A grant of 6 lakhs from surplus Imperial revenues in 1914-1915 has been made for sanitation. The Government of India will subsequently decide how it will be expended. The whole of this grant will be held in reserve for the present. Practical schemes for the improvement of sanitation at pilgrim centres and on pilgrim routes will be favourably considered.

4. There is also the usual recurring grant of five lakhs to the Indian Research Fund Association.

5. The large grants already made to Local Governments for sanitation have exceeded their immediate spending power. The unspent balances from the special non-recurring grants for sanitation expected to be available on 1st April 1915 amount to £443,000 or 64·45 lakhs of rupees. Local Governments have also at their disposal the recurring grants made for sanitation in March 1913.

APPENDIX B.

(*Referred to in the Hon'ble Mr. Sharp's speech*—vide *page 83*.)

EDUCATIONAL GRANTS.

In the statement presented to the Council in March 1913 it was stated that 6 lakhs were being held in reserve to meet undeclared requirements. This money has been fully distributed among provinces, politically administered areas and institutions which are dependent for their maintenance wholly or largely upon the Government of India. The full proposals of Local Governments regarding the development of oriental studies and Muhammadan education have not yet been received but it has been found possible to allot some portion of this recurring grant for these purposes in provinces which have already framed schemes. In addition to the 6 lakhs recurring reserve a further non-recurring sum of R4,13,000 was disbursed to the province of Delhi, to the North-West Frontier Province, Coorg, and a medical school at Indore.

For the forthcoming year a recurring sum of 9 lakhs of rupees has been placed at the disposal of this department. It is proposed to hold one lakh in reserve for emergent purposes and to disburse the remaining 8 lakhs as follows:—

Madras	1·25	Lakhs of	rupees.
Bombay	1·00	„	„
Bengal	1·50	„	„
United Provinces	1·00	„	„
Punjab	0·75	„	„
Burma	0·65	„	„
Bihar and Orissa	1·00	„	„
Central Provinces	0·50	„	„
Assam	0·35	„	„
TOTAL	8·00	„	„

The disposal of these sums will be left to the discretion of the Local Governments as the amounts concerned are small.

With the addition of these amounts, the increased allotments made by the Imperial Government for education in provinces or politically administered tracts, from 1911 to 1914-15 inclusive, are R4,83,00,000 or £3,220,000 non-recurring, and R1,24,00,000 or £827,000 recurring.

APPENDIX C.

(*Referred to in the Hon'ble Mr. Sharp's speech*—vide *page* 53)

EDUCATIONAL SUMMARY, MARCH 1914.

The statistical table of educational progress is appended and will be published in the *Gazette of India*. The figures there shown are for the year 1912-13. The account of principal developments, given below, is brought up to date. The statistics are subject to slight rectification hereafter, since a new classification has been adopted in Bengal and the figures for the province of Delhi could not be obtained, that administration having been in existence for less than a year at the time when the returns were due.

2. *Statistics of pupils.*—The grand total of pupils in all institutions (including private institutions) has risen by 368,948 to 7,149,669. The largest increases occurred in Bengal (109,000), Madras (82,000), the United Provinces (76,000), Bombay (65,000), and Bihar and Orissa (43,000).

3. The percentage of pupils in public institutions to children of school-going age (reckoned at 15 per cent. of the population) has risen, in the case of boys from 26·8 to 28·4, in that of girls from 4·7 to 5·0, in that of both from 16·0 to 17·0. The percentage of both boys and girls in public and private institutions together has risen from 17·7 to 18·7, and the percentage to the whole population from 2·6 to 2·8. Madras, Bombay and Bengal show from 33 to 40 per cent. of boys of school-going age at school in public institutions; Assam over 30 per cent.; Burma, Bihar and Orissa, and the Central Provinces from 21 to 26 per cent.; in the United Provinces, the Punjab, and the North-West Frontier Province, the percentages range from 15 to 18. The highest figures for girls are 17·4 per cent. in Coorg and 9·0 per cent in Burma.

4. The increase in collegiate and higher institutions has been 69,164 against 28,687 last year. The figures for higher institutions are as follows :—

	Male.	Female.	Total.
In colleges	40,370	414	40,784
In high schools	428,182	18,515	446,697
In middle schools	494,085	48,252	542,337

5. In primary schools the figure has risen by 273,351 and now stands :—

Male	4,428,531
Female	832,962

The total of those under primary instruction in public and private schools (including primary departments of secondary schools, other schools and private institutions where a vernacular is taught) was 6,007,196 at the end of 1911-12, and is now 6,331,355.

6. The number of those under training for the profession of teaching has risen from 13,354 to 15,531; and 6,027 passed the prescribed tests during the year.

7. The number of pupils in technical schools has decreased from 12,064 to 11,465.

8. The number in schools for Europeans and the domiciled community now stands at 33,900, an increase of 180.

9. The increase in Muhammadan pupils amounts to 64,308. Secondary schools and colleges show an increase of 16,607 and elementary schools of 36,680. The total in institutions of the former kind stands at 191,608, in those of the latter 1,059,448. Other public institutions account for the remainder of the increase. The complete total in public institutions is 1,381,306. Nearly half of this number is contributed by Bengal.

10. *Statistics of expenditure.*—The total expenditure was Rs. 9,02,09,000, an increase of Rs. 1,16,16,000 over that of the preceding year. To this increase public funds have contributed Rs. 90,38,000 against an increase under this head of Rs. 34,83,000 in the year before. Of the total, roughly 495 lakhs are now met from public funds (against 405 lakhs in the preceding year), *viz.*, 339 lakhs (against 270 lakhs) from provincial, 123 from district and 33 from

municipal funds. Of the 406 lakhs from private sources, fees contributed 240 lakhs.

11. Among the larger provinces, the highest expenditure is in Bengal, 202¾ lakhs; the lowest in Assam, 19 lakhs. Save in Bengal, public funds contributed more than private.

12. The average annual cost of educating a pupil has risen to Rs. 13·9. This calculation includes indirect expenditure.

13. *Principal developments.*—In the year 1912-13, the following additional allotments from Imperial funds were announced for education in provinces and politically administered areas—319 lakhs non-recurring from the surplus revenue of that year, and 55 lakhs recurring from the revenue of the year 1913-14. The developments of the five preceding years have been described in the quinquennial review. Compared with the figures for 1910-11, the increase during the past two years in pupils of public institutions has amounted to 13·4 per cent. and that in expenditure to 25·5 per cent.

Among special features of the period are the establishment of a Faculty and the scheme for a college of Commerce in the Bombay University. A generous gift of 10 lakhs to the University of Calcutta was made by Dr. Rash Bihari Ghosh. A committee worked out a scheme for the Dacca University, a project which has subsequently received the general approval of the Secretary of State. The reports on education in the various provinces show that in Madras the rules for grant-in-aid have been made more elastic and the amount given as grant-in-aid has increased by nearly 5 lakhs. In other provinces improvements have been made in secondary education; and in the Bombay Presidency the pay of assistant teachers in Government secondary schools has been increased. The pay of primary school teachers has likewise been improved; in the Punjab, graded scales of salaries from Rs. 12 to Rs. 30 a month are being generally introduced; in Bihar and Orissa the stipends paid to aided school teachers have been regulated; in the Central Provinces a sum has been earmarked for rendering pensionable the pay of all masters drawing Rs. 11 and over. Among developments in Muhammadan education the foundation of an Islamia College at Peshawar has been conspicuous. A committee considered the foundation of a Technological Institute in Calcutta. Other important committees deliberated during the period on primary education, the education of Muhammadans and other important subjects.

under Swedish officers, with a view to the suppression of anarchy in Southern Persia and the restoration of order and security on the trade routes, where British and Indian trade had suffered serious loss during the past few years, I am glad to say that our hopes have so far not been disappointed. The regiment of gendarmerie, which was raised at Shiraz, has been employed during the winter in patrolling the roads and has dealt successfully with the robber bands who infested it. It is true that quite recently these gendarmerie have been confronted once more with a troublesome situation at Kazerun, but I am glad to learn that on the arrival of reinforcements the tribal rising dispersed, and that order has once more been restored. Evidence of the successful activity of the gendarmerie is shown in the improved returns of British and Indian trade in Southern Persia. Another force of gendarmerie has been dealing with the situation on the trade route between Bunder Abbas and Kerman, and, although they have had some serious engagements with the Perso-Baluchi tribes in that neighbourhood, there is every reason for confidence in their ability to restore order in the immediate future. The action in South Persia of the Swedish officers and the Persian gendarmerie appears to have been eminently successful, and to be worthy of unstinted praise. I may point out that the only alternative would have been the despatch of a British expedition to Southern Persia for the restoration of order in those provinces—a policy to which, with the entanglements and expenditure it would entail, the Government of India have always been firmly opposed; and I would only ask those, who have been somewhat lavish in their criticisms of the attitude of the British Government in Persia, now to recognise what we in India owe to Sir Edward Grey for his policy of disinterested support, and abstention from interference in the internal affairs of Persia.

"A further development that has taken place in connection with the affairs of the Persian Gulf is the conclusion of an agreement with the French Government, by which they now recognise the new Arms Traffic Regulations, drawn up by the late Sultan of Muscat at our instance, and by which they abandon the privileges and immunities secured to them by ancient treaties. We believe that gun-running from Muscat has now been stopped, and that our agreement with France will effectually prevent its revival. Should this prove to be the case, we may hope not only to avoid in future the necessity for those occasional small military expeditions, which for many years have been a drain on Indian revenues, but also in the very near future to be able to discontinue the expensive naval blockade operations on the Mekran coast.

"Turning to Afghanistan, the relations of the Government of India with His Majesty the Amir have continued to be most friendly and cordial. Indeed we have had only one complaint to present to the Afghan Government—and that of a serious order—*viz.*, in regard to the depredations on British territory by gangs resident in Afghan limits. The recent outrages on the Jehangira and Khairabad Railway stations in the Peshawar District were, we have reason to believe, the work of a gang, whose base is in the Afghan Shinwari country. I have addressed His Majesty the Amir on the subject, demanding the punishment of the offenders, and I have every reason to hope that the Afghan Government can, and will, co-operate in this matter. An even more flagrant instance of the evil in question is to be found on the Kohat-Bannu border, which for some years past has been constantly harried by gangs from the neighbouring Afghan district of Khost. These gangs, consisting of outlaws from British territory, assisted by bad characters from Khost, have with impunity murdered and robbed in British territory, and carried off British subjects to their asylum in Afghanistan and there held them to ransom. The strongest representations have from time to time been made to the Amir on the subject, and he assured me last December that he had issued orders to his local officers to deal vigorously with the matter. In spite of this, however, since then two serious outrages have been committed by Khost gangs. In one of them a Hindu and his wife were carried off from the Tochi, and though the Afghan local officials could, so it is reported, have saved them—indeed had pledged themselves to do so—the unfortunate Hindu was brutally murdered and decapitated by the outlaws and his head sent to our post at Miranshah, with a

demand for an enormous ransom for the woman. To deal with this intolerable situation, we decided that mere representations, unbacked by action, were valueless. I therefore authorised as a reprisal the arrest and detention of all Khostwals found in British territory, pending settlement of this matter, and I sent a letter to the Amir, informing him of our action, and calling upon him to depute an officer with the necessary force to deal promptly and effectively with the situation in co-operation, if need be, with a British officer supported by the necessary force.

"I am happy to be able to announce that I received news yesterday that this action has already borne fruit, and that His Majesty the Amir immediately on the receipt of my letter issued stringent orders for the surrender of the captive Hindus in Khost and the arrest of the perpetrators of the outrages in question. Already three captive Hindus have been brought in to the Political Agent in the Tochi under escort, and it is reported that the greater number of the outlaws have been arrested and despatched to Kabul for trial.

"The North-West Frontier has otherwise been quiet, with the exception of an outrage by the Utman Khel in the north of Peshawar District; and two serious raids by the Bunerwals into British territory, in which eight British subjects were killed and considerable property taken. As regards the Utman Khel, a blockade against them has been established, which it is hoped will lead to a speedy settlement of this case. As regards the Bunerwals, I ordered the movement of a column into their country on the 23rd February last to punish some of the villages mainly at fault. This operation, in spite of the most trying conditions of weather and roads, was carried out most successfully. The troops met with half-hearted opposition, and returned without loss, after inflicting exemplary punishment on the offending villages. There are reasons to believe that the effect of this action has been most salutary on the frontier, and I trust it will be clear from what I have said that the Government of India are dealing vigorously with the question of insecurity on the North-West Frontier, and intend, whatever it may cost, to restore reasonable peace and order on that border.

"The future status of Tibet is still the subject of negotiations between accredited representatives of Great Britain and accredited representatives of China and Tibet.

"During the past year we have added greatly to our knowledge of the little known countries lying on the North-East Frontier along the Assam border. Surveys have been carried out; some roads have been made; and a large portion of the unexplored highlands in that direction have been visited, so that we are now in a position to determine our natural boundaries on this side.

"On the north-east border of Burma it has been decided to extend our administrative control over a part of our tribal area, and the new district of Putao has been peacefully established. On this side, too, the outlying portions of the Indian Empire have been explored, and the knowledge so gained will enable us, when the time comes, to settle a satisfactory international frontier.

"I am grateful for the flattering words that have been used by a great many Members to-day relating to the action of myself and my Government in connection with the position of Indians in South Africa, and I think it will be a source of satisfaction to us all if I mention the fact that a Reuter's telegram from Cape Town has come in to-day stating that General Smutts has announced in the Union House of Assembly that Government would introduce legislation next Session based on the report of the recent Commission.

"I would now like to turn to a subject nearer home and to give you all the information in my power respecting the project estimate for the construction of the Imperial City of Delhi. This project estimate, which is really a monumental work, reflecting the greatest credit upon the Delhi Committee, of which Mr. Hailey is the Chairman, and upon the Chief Engineer, Mr. Keeling, and the staff of Engineers and others working under him, was received by the

Government of India about the New Year. I should like to take this opportunity of expressing my warm appreciation of the untiring industry and devotion to duty of the officers on the staff of the Committee, who for weeks together during last hot weather worked, as I know, every day till 11 o'clock at night in order to press forward the completion of this heavy task. This estimate has been most carefully and thoroughly scrutinised by Mr. Russell and the staff of the Public Works Department, and they have brought to bear on it their vast and expert knowledge and have made some very useful and practical modifications. Their report reached me on the 4th March and has now undergone a close examination before acceptance by the Government of India and transmission to the Secretary of State. The above facts will explain to you why Sir Robert Carlyle in reply to a question put to him in February was unable to give any figures of the estimate. It is even irregular that I should do so now before the estimate reaches the Secretary of State, but as I am anxious to take the Members of my Council as much as possible into my confidence, I have obtained special permission from Lord Crewe to do so on this occasion. I wish, however, to make quite clear that the publication of the figures of the estimate does not in any way commit the Secretary of State to their acceptance.

"Hon'ble Members may possibly remember the tenour of the despatch addressed by the Government of India to the Secretary of State on the 25th August, 1911, in which the administrative changes announced by the King-Emperor at the Durbar were proposed. This despatch may truly be said to have achieved a certain measure of notoriety, if that can be gauged by the lively discussions that have taken place over its contents. In the 22nd paragraph, in which the cost of the proposed new Capital is discussed, the following words are used:—

'We will now give a rough indication of the cost of the scheme. No attempt at accuracy is possible, because we have purposely avoided making inquiries as they would be likely to result in the premature disclosure of our proposals. The cost of the transfer to Delhi would be considerable. We cannot conceive, however, that a larger sum than four million sterling would be necessary, and within that figure probably could be found the three years' interest on capital, which would have to be paid till the necessary works and buildings were completed.

"The rest of the paragraph deals with various assets which could be utilised to counterbalance this expenditure.

"Whether the Government of India were wise in mentioning a figure in however guarded a manner is, I frankly admit, open to serious doubt, and it was only after consultation amongst ourselves and with the concurrence of our former Colleague of the Finance Department, whose caution is well known to you all, that the figure of four million sterling was inserted in the despatch. In any case the figure has since been the subject of much controversy in the Press and elsewhere, and various predictions of the cost of the new city have been made.

"Now that the Government of India have been in a position to obtain expert information and to prepare thorough and comprehensive estimates for the creation of a capital which shall be built without extravagance and which shall yet be worthy of this great Empire, it is clear to us that the original estimate of four million sterling must be exceeded, but not to the extent of many of those forecasts which have been made by our critics, as Hon'ble Members will see when I give them presently the figures of the project estimate in its latest form. I might argue that this excess is due to the abandonment, owing to sanitary reasons, of the Durbar site and the cost of the consequent, preparation of the new site, and I might put forward other reasons, but I have no desire to do anything of the kind, but simply to say frankly on behalf of myself and those who are still Members of my Council that, owing to the special circumstances in which we were placed, we made an under-estimate in mentioning the figure of four million sterling, and how great or small a mistake we made, you, Hon'ble Members of Council, will shortly be able to judge.

"I will now endeavour to give as succinctly as possible the figures of the estimate as amended by the Public Works Department. I may mention that as a result of their careful scrutiny the charges under certain headings have been reduced, while others have been increased, but the net result has been a material reduction of the total estimate as sent up by the Delhi Committee.

"The figures are as follows under their various headings :—

	Rs.
A.—Salaries and allowances	70,18,700
B.—Travelling allowances of officers and establishment	6,30,000
C.—Supplies, services and contingencies	3,78,600
D.—Works expenditure—	
(1) Buildings	3,59,87,200
(2) Communications	29,91,800
(3) Parks and Public improvements	27,34,500
(4) Electric light and power	43,40,700
(5) Irrigation	27,49,000
(6) Water-supply, sewerage, drainage, etc.	73,77,900
(7) Purchase of tools and plant	35,50,600
(8) Survey camps and general preliminary expenditure	42,82,100
(9) Maintenance during construction	20,09,000
E.—Acquisition of land taken up	36,48,200
F.—Other miscellaneous expenditure	6,000
Deduct—Anticipated recovery from tools and plant	10,00,000

"These figures, when added up, make an aggregate total of Rs. 7,67,04,300 or £5,113,620. But as we are anxious to face our liabilities for starting the new city to the fullest extent possible, we consider it necessary to make a special provision for contingencies and unforeseen expenditure in excess of the usual provision that has been made of 5 per cent. on the works outlay, by adding a sum of one and a half crores or £1,000,000. We have accordingly a very large reserve to meet future possibilities which we are not able to foresee at present. I should add that the expenditure of this additional crore and a half on unforeseen contingencies will be strictly controlled by the Government of India, and no part of it spent unless absolutely necessary.

"Hon'ble Members may remember that recently a statement was made in Parliament by the Under Secretary of State for India that the estimated cost of new buildings in Delhi, then under the consideration of the Government of India, amounted to £2,800,000, or 420 lakhs, while the figure for buildings that I have just given you is 360 lakhs. The discrepancy that arises between these two figures is due chiefly to the excision of the cost of the Survey of India Office, and the residential accommodation for the staff, reduction in the provision for offices for the local administration, etc. It has been decided by the Government of India that the presence in the Capital of the Surveyor-General's Office is not administratively expedient.

"It may be of interest to Hon'ble Members to know that under the heading of buildings, of which the total is Rs. 3,59,87,200, a sum of half a million sterling, or 75 lakhs, has been allotted for the construction of Government House and the Council Chamber and necessary appurtenances with gardens, stables, offices of the Private and Military Secretaries to the Viceroy, bungalows for the staff and accommodation for military guards, while a further sum of three quarters of a million sterling, or Rs 1,12,50,000, has been set aside for the Secretariat buildings of the Government of India. The remaining Rs. 1,72,37,200 is the estimated cost of Local Administration Offices, Chief Commissioner's Office, Imperial Record Office, residences for officers of Government and for clerks, menials' quarters, electric installation in officers' and clerks' quarters, medical buildings, police accommodation, fire-brigade station,

markets, and slaughter-house, and accommodation for the Viceroy's Bodyguard and for troops in the Capital.

"There are other headings of expenditure such as irrigation which require more detailed elaboration, and on which it is possible that certain savings may be effected, but in all such cases an outside figure has been taken which we may reasonably hope will not be exceeded.

"On the other hand, the project estimate contains certain items such as land, residences, water-supply, electric power, irrigation on which recoveries in the form of rent or taxes will, in addition to meeting current expenditure, partially at any rate, cover the interest on capital outlay, while there are other items on which some return on account of the sale of leases, general taxes, and indirect receipts may be expected, for I need not explain that Government officials, for whom accommodation is provided, will pay rent, and that all residents in the new city will have to pay charges for water-supply and other amenities. The project estimate of the Delhi Committee reckoned expenditure of this character at two crores or one and a third million pounds, but we are of opinion that a forecast put forward at this stage might merely prove misleading and furnish materials for criticism. Therefore, although a certain portion of the expenditure will undoubtedly be recouped, we prefer not to specify the items at this stage.

"I have now put before you as briefly as it has been possible on an occasion like the present, the principal details of the project estimate for the construction of the capital city of Delhi, and I think that you may safely rely on my vigilance and on that of the Hon'ble Finance Member and of the Chief Commissioner of Delhi, whose experience in the Finance Department stands him in such good stead, to see that no extravagance or waste of public funds is permitted. I may add that for a long time past I have received a monthly account of expenditure upon the works now in progress in order to secure the fullest financial supervision and control.

"There is just one other point that I would wish to explain so as to avoid all misunderstanding, *viz.*, the absence of any estimate for cantonment or railway expenditure in the project estimate Sir Guy Fleetwood Wilson in his financial statement last year stated that the cost of cantonments could only be shown in the military estimates, and any diversion of a railway line that might be found necessary must be charged to railways. As a matter of fact, it had been already decided by the Government before the question of making Delhi the capital had arisen to materially increase the garrison of Delhi owing to its strategical importance as the greatest railway centre of India, and to move the Indian infantry regiment from its insanitary lines at Daryaganj, while the long condemned lines of the Indian cavalry regiment should have been rebuilt at least three years ago. Very considerable expenditure would, therefore, in any case have been incurred on increasing and bringing up to date the military accommodation at Delhi. Consequently, a new cantonment would have had to be built in any case. As regards railway expenditure, there is little doubt that if the city of Delhi expands in a southerly direction, as seems probable from the demands made for land in that direction, a diversion of the Agra Chord may become inevitable, and improved railway facilities for the inhabitants of the new city will become increasingly necessary. All that is being done at present is to acquire the necessary land so as to meet the requirements of the future when they arise, and the only recommendation that has been made to the Secretary of State for railway facilities for the new city is the construction of a railway station with sidings on the Agra Chord at the estimated cost of 2½ lakhs.

"From the statement that I have made, which, I may point out, could not possibly have been made at an earlier date, you will recognise that we are anxious to give the Members of my Council the very fullest information.

"In giving you these figures it should be clearly understood that the scheme put forward is for the adequate establishment of the Government of India at Delhi. The estimate has been framed to provide for all that can be foreseen as

likely to be required to enable the Government of India to effectively occupy their new Headquarters. In regard to such public services as water-supply, sanitation, and the general laying out and equipment of the new city with roads, public parks, etc., we have based our requirements upon a careful forecast of probable population and made all reasonable provision for future expansion. Although we have considered it desirable to make provision in the estimate for all the residential accommodation that we consider necessary, it is anticipated that private capital will do its share in the development of the new city and erect a proportion of the residences which will be required for the accommodation of officers and clerks in some form or other, in which case we may expect to effect some reduction of expenditure under this head. It does not include public buildings such as museums, institutes, hospitals, other than the civil hospital, etc., which will undoubtedly spring up in the future, and cluster round the seat of Government. All growing cities, even the oldest, develop every year with new buildings and new institutions and the task of the Government of India is, and has been, to see that there is no waste, and, while not expending more than we can spare, to be careful that we do not unduly restrict our plans or schemes merely in order to balance current expenditure in a manner to compromise their future or to prevent our successors from enlarging or beautifying them in the future if they possess the means or the taste to do so. Much no doubt will be done by private initiative and it is very encouraging to find new educational establishments ready to spring up in the Capital of India, amongst them being a new St. Stephen's College, a medical college for women, the Begum of Bhopal's girl school, a post-gradute college for the sons and families of Ruling Chiefs and a college for Indian medicine. Sites for all of these have been requested and assigned and it is not too much to hope that Delhi may, in addition to its other features, become an important educational centre. The Educational Conference held in Delhi last year and repeated only three weeks ago when no less than 24 Ruling Chiefs were present as well as representatives of other Native States is of happy augury and an indication of the great advantage of the accessibility of the new Capital.

"Although the guarded estimate of four million sterling mentioned in the Government of India, despatch of August 25th, 1911, will be exceeded, I am confident that my Council and India as a whole will not regard the total figure now estimated as excessive, and the speeches that I have heard in Council to-day add further confirmation to that confidence. India is worthy of a capital, and the capital must be worthy of her. The provision of funds will be very carefully considered so as to cause no embarrassment to the development of the country and will be spread over at least eight years from its inception in 1912.

"You will also understand that the estimate now communicated to you does not purport to provide for the present and future needs of old Delhi in respect of sanitary reform and urban improvement generally. The Government of India have settled at Delhi and made themselves responsible for its administration by taking over the area in which it lies, an area which would otherwise have received special attention from the Punjab Government in connection with our general grants for education and sanitation, as also in respect of urgent Public Works. Sanitary advance is one of the main features of our general policy, and we cannot allow the requirements of the old city to be prejudiced by the special demands for the new ; on the contrary, we shall expect a considerable advance to be made in the near future, partly from local resources, and largely, it may be, from special Government grants, if funds for this purpose are available. This question arises at once in framing our schemes for the water-supply and sanitary equipment of the new Capital, and it is one which we cannot rightly set aside. Such outlay, however, is distinguishable, and must be considered apart, from the cost of building and equipping the new city, and was so excluded in the original rough estimate of the latter made by the Government of India in 1911.

"I may remind Hon'ble Members that in a speech delivered by the King-Emperor in Delhi on the 15th December, 1911, on which occasion all the

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

FINANCIAL STATEMENT AND BUDGET

FOR

1915-1916.

CONTENTS.

	Page.	Para.
Speech of the Honourable Finance Member presenting the Financial Statement for 1915-1916	**1**	**1—102**
Introductory	1	1—19
Changes in forms of account	8	20—23
Forecast of Financial conditions in 1914-15 and 1915-16.	9	24—59
Revised Estimate of Revenue and Expenditure for 1914-15	9	24—34
Revised Estimate, 1914-15. Ways and Means position	11	35—38
Budget Estimate of Revenue and Expenditure for 1915-16	13	39—49
Ways and Means Estimate for 1915-16	16	50—59
Remarks on certain special heads	18	60—89
A.—Military Services	18	61—65
B.—Famine Relief	19	66—69
C.—Expenditure from special grants (Education, Sanitation, etc.)	20	70
D.—Financial position of Provinces	21	71—73
E Railways (Capital outlay)	21	74 79
F.—Irrigation (Capital outlay)	23	80—86
G.—Delhi Expenditure	24	87—89
Cash Balances, Secretary of State's Council Drawings and Exchange	25	90—92
Currency and Coinage	26	93—95
Public Debt of India	26	96—100
Conclusion	28	101—102
Financial Statement, 1915-16—		
I.—General Statement of the Revenue and Expenditure charged to Revenue of the Government of India, in India and in England	30	...
II.—General Statement of the Receipts and Disbursements of the Government of India, in India and in England	32	...
A.—Statement of the Revenue of India, in India and in England	34	...
B.—Statement of the Expenditure charged to the Revenues of India, in India and in England	36	...
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England	40	..
D.—Statement of Revenue, Expenditure and Balances of Provincial Governments	44	..
E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England	45	...

	PAGE.	PARA.
Proceedings of the meeting of the Imperial Legislative Council held on 8th March 1915 .	**47**	...
Proceedings of the meeting of the Imperial Legislative Council held on 9th March 1915 .	**61**	...
Speech of the Honourable Finance Member introducing the Budget for 1915-1916 . .	**85**	**1–6**
Budget, 1915-16–		
I.—General Statement of the Revenue and Expenditure charged to Revenue of the Government of India, in India and in England	88	...
II.—General Statement of the Receipts and Disbursements of the Government of India, in India and in England	90	...
A.—Statement of the Revenue of India, in India and in England	92	...
B.—Statement of the Expenditure charged to the Revenues of India, in India and in England .	94	...
C.—Statement of Receipts and Disbursements of the Government of India, in India and in England .	98	...
D.—Statement of Revenue, Expenditure and Balances of Provincial Governments . . .	102	...
E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England	103	...
Memorandum explaining the details of the Estimates—	**105**	1
I and 3.—Land Revenue	107	8
II „ 4.—Opium	110	15
III „ 5.—Salt	112	19
IV „ 6.—Stamps	113	22
V „ 7.—Excise	115	28
VI „ 8.—Provincial Rates	117	33
VII „ 9.—Customs	118	35
VIII „ 10.—Assessed Taxes	120	38
IX „ 11.—Forest	122	42
X „ 12.—Registration	124	48
XI.—Tributes	126	52
1.—Refunds and Drawbacks . . .	127	53
2.—Assignments and Compensations . .	128	55
XII.—Interest Receipts	129	57
13 and 14.—Interest Expenditure	131	60
XIII „ 15.—Posts and Telegraphs	134	65
XV „ 17.—Mint	137	72
18.—General Administration	138	74
XVIA „ 19A.—Law and Justice—Courts of Law . .	140	79
XVIB „ 19B.—Law and Justice—Jails	142	84
XVII „ 20.—Police	144	89
XVIII „ 21.—Ports and Pilotage	146	94
XIX „ 22.—Education	147	96
23.—Ecclesiastical	151	104
XX „ 24.—Medical	152	105
25.—Political	155	112
XXIA „ 26A.—Agriculture	157	116
XXIB „ 26B.—Scientific and Miscellaneous Departments	159	119
27.—Territorial and Political Pensions . .	162	125
28.—Civil Furlough and Absentee Allowances .	163	126

Memorandum explaining the details of the Estimates—*continued.*

		Page.	Para.
XXII and 29.	—Superannuation	164	128
XXIII „ 30.	—Stationery and Printing	166	132
XXIV „ 31.	—Exchange	168	135
XXV „ 32.	—Miscellaneous	169	136
33 to 36.	—Famine Relief and Insurance	172	145
XXVI to XXVIII and 38 to 41	Railway Revenue Account	174	152
XXIX—XXX and 42 to 43	Irrigation	177	163
	Major Works	178	165
	Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	180	169
	Minor Works and Navigation	181	170
44.	—Construction of Railways charged to Provincial Revenues.	183	176
XXXI and 45.	—Civil Works	184	177
XXXII „ 46.	—Army	189	191
XXXIII „ 46A.	—Marine	192	202
XXXIV „ 47.	—Military Works	193	206
	47A.—Special Defences	194	214
	Military Services—Summary	195	215
Transfers between Imperial and Provincial		196	218
Capital Expenditure on Railways, Irrigation and other Works not charged to Revenue—			
	Railway Construction	199	226
	Construction of Productive Irrigation Works	202	230
	Initial Outlay on the New Capital at Delhi	203	233
Ways and Means—			
	Home Treasury	204	236
	India	210	251
Appendix		215	...
Proceedings of the meeting of the Imperial Legislative Council held on 25th March 1915		243	...

Speech of the Honourable Finance Member

INTRODUCING THE

FINANCIAL STATEMENT FOR 1915-16.

Introductory.

General effects of the War on trade and finance.

My Lord,

I rise to present the Financial Statement for 1915-16. Our procedure will be the same as on previous occasions: that is, there will be no debate today, but from the 8th March onwards time will be allotted for the examination and discussion of the budget proposals. The figures in the Financial Statement will then undergo such amendments as may be required by our later information or suggested by the discussions in Council. The Budget in its final form will be presented on the 22nd March, the usual closing debate taking place on the 25th.

2. Since I last addressed the Council on financial matters, India has been, and is still, passing through a crisis which has subjected her financial and economic system to a supreme test. It is true that, save for some vivid but happily transient experiences in the autumn, she has not felt the direct impact of war. But she has not been able to escape the consequences of that economic solidarity which binds her closely to the outside world. All her recent development has been on lines of diminished isolation. Her currency system connects her with the money markets of London and the world. She relies for internal development largely upon borrowings in London. Her prosperity is increasingly bound up from year to year with her rapidly growing foreign trade. Her internal financial arrangements, and above all her system of credit, in many respects follow Western models. Finally she is a part of a mighty Empire which is one of the foremost belligerents in this general war. It is inevitable therefore that India should feel the effects of the war from top to bottom of her economic system; they are written large over the Statement which I have to present to the Council today, and are affecting still more deeply the trade and production of the entire country. From the general financial and economic point of view—both to those of us who have studied the working of our fiscal system from the inside, and to Honourable Members here who represent India's agricultural and industrial activities of every kind—the history of the last few months is thus a matter of compelling interest; and I feel that the Council will look to me in the first place for some account of this period of crisis. I propose, then, at the outset to bring together some of the main financial incidents of the last seven months, to narrate how we have got through this difficult period, and then to take up the recital of those facts regarding our revenue and expenditure which in normal conditions it is the first object of this Statement to present.

3. Before doing this, however, I must premise that, as the Council must have anticipated, the task of preparing revised estimates of our financial position at the end of 1914-15 and a budget for the coming year has been one of very special difficulty. Ordinarily we have a large mass of data of past years to go upon; and, although budgeting must always be to a certain extent what one may term scientific guesswork, we have merely to consider how far the experience gained during the portion of the current year for which figures are available when our forecast is made, and the circumstances prevailing at the time with reference to commercial or agricultural prosperity or depression, the position in regard to railways and so forth, warrant us in departing from the standards of normal development which can be deduced from past actuals. This year we are in an entirely different position. The sudden outbreak of war and the dislocation of trade that has followed it, the vague and

unwarranted sense of insecurity which has led, for instance, to large withdrawals from our savings banks, are all (on this scale) totally new features, and it is most difficult to prognosticate how far there will be a recovery and in what specific directions. We have also the fact that nobody knows how long the war will endure, but we must at present budget on the supposition that it will last through 1915-16. All things considered, I have thought it necessary, in framing forecasts, to adopt an attitude of caution. We must not be too pessimistic, but at the same time, with all the surprises that the war and its economic results may yet have for us, sanguine estimating is entirely out of place. We are really groping in the dark and can only go as carefully as possible.

4. When the war came upon us we were fortunately in a very satisfactory financial position. Our total Treasury balances on 1st April in England and India had been found to exceed by about £1½ million the anticipation we had been able to make on the figures available when preparing this year's budget. Our large 5-crore loan had been a brilliant success, thanks largely to the patriotic enterprise of the Bank of Bengal, and the south-west monsoon gave full promise of agricultural prosperity. There was, therefore, reason to anticipate that, had circumstances continued normal, our Imperial surplus for this year would have been larger than the £1¼ million which we provided in the budget, being then obliged to estimate cautiously by reason of the agricultural situation in Northern India. Trade, it is true, had been somewhat dull owing to the preceding agricultural depression, to the after-effects of the banking crisis of 1913-14 and to the glut of piece-goods ; and the consequent weakness of exchange had made the Secretary of State's council drawings much lower than is usual during the first four months of the official year, a circumstance which proved later on to be a fortunate one for us on this side. But at the end of July there was every reason to anticipate that the trade depression which I have mentioned would clear off and that we should have a really good year.

Owing to the conditions I have mentioned, our Treasury balances in India were very high, while the amount of gold held by or for the Government in London and in India taken together stood at £23½ million, of which nearly £5 million was in the Gold Standard Reserve and the rest mostly in our Paper Currency balances. In addition, the Secretary of State held in the Gold Standard Reserve, besides the ordinary Reserve investments, a considerable amount in special short-term securities, some of which were about to mature.

The Presidency Banks, too, were in an exceptionally strong position with regard to their balances, after allowing for the fact that a portion of these consisted of Government deposits.

5. The first effect of the European war, which began to operate even before Great Britain had actually been drawn in, was a threatened break in exchange. The Government of India took immediate steps to deal with this aspect of the general situation, and were able to make a preliminary reassuring announcement on the 1st August. On the 3rd August we publicly formulated, with the approval of the Secretary of State, the measures which we had decided to adopt. In the first place, we formally undertook to support exchange by all the means in our power. This was a policy which the Royal Commission on Indian Finance and Currency had recommended in their recently published Report: it fell to us to declare our adhesion to it at the outset of a crisis of unprecedented magnitude and totally uncertain duration.

In the second place, we announced our intention, in pursuance of this object, to sell sterling bills on London, or "reverse bills" as they may conveniently be termed, up to a maximum limit of £1 million a week until further notice. This, too, was an innovation on previous policy. In the exchange crisis of 1907 and 1908 the amount sold had usually been £½ million a week, and occasionally £1 million, but the exact amount was settled afresh just before each successive weekly sale. The present was the first occasion on which the Government of India undertook beforehand to maintain sales on an ample scale. Again, to adapt the system still more fully to trade requirements, we combined with the sale of bills the practice of selling telegraphic transfers also, thus providing a guarantee of immediate remittance when required. A few days later, too, we arranged that bills should be payable in London 16 days after the departure of the weekly mail, thus eliminating the uncertainty due to posssible delay in the arrival of the bills by mail steamer.

The object, and, as events have shown, the actual effect of these arrangements was to promote confidence by assuring the banking and commercial public of adequate and continuous facilities for remittance, secured by the whole resources of Government. Incidentally, also, it prevented purely speculative competition for reverse bills and transfers by removing the possible apprehension that Government might at any moment reduce the amount available. Only in the first week following the declaration of this policy did the applications exceed the £1 million limit. Thereafter the volume of weekly tenders was gradually reduced; and after the first demand for remittance had thus been met, it rose and fell, within moderate limits, in correspondence with the fluctuating requirements of the time, until eventually the demand sank to a quite small amount, and has latterly disappeared altogether, at any rate for the time being.

In all we expect, by the end of this year, to have sold bills and transfers to the total extent of about £8¾ million. The sums thus received have been credited to the Gold Standard Reserve in India *pari passu* with the Secretary of State's withdrawals from the Reserve in England in order to meet the bills and transfers falling due for payment by him from week to week. The net result has, of course, been a great strengthening of the Gold Standard Reserve on this side.

Lastly, in he early days of the crisis, we strengthened that Reserve by exchanging £4 million of silver held therein on this si le for an equivalent quantity of gold previously held by us in the Paper Currency Reserve.

6. At the same time as we first notified the selling of reverse bills and transfers, we took steps to restrict the dissipation of our gold in India by laying down that no gold should be issued to any one person or firm to a less extent than £10,000. The object of this was to secure what we thought would be a rough test as between applications for gold for eventual remittance purposes and those which were merely for hoarding or for local requirements. This limitation, however, was defeated by various individuals and firms clubbing together so as to make between them a demand which conformed to our minimum. Between the 1st and the 4th August we had already lost about £1,800,000 of our gold; and on the 5th August, when it was announced that Great Britain was actually at war with Germany, we took the further step, for which we had previously obtained the Secretary of State's approval in anticipation of that contingency, of refusing the issue of gold altogether to private persons.

We had then a stock of about £10 million of gold on this side in the Paper Currency and Gold Standard Reserves taken together, and that aggregate figure still remains practically unaltered. I may mention here, as regards the local rates of exchange as between sovereigns and rupees, that the Calcutta figures show that a sovereign exchanged for R15-6 instead of the normal R15 by the end of August, and that the rate varied between R15-5 and R15-8 until November. In December, however, it fell steadily and it now fluctuates from R15-1 to R15-3 only.

7. The next grave difficulty that the outbreak of war brought upon us was in regard to our savings banks deposits and currency notes. The general trade and credit position which the war set up was most serious in Bombay, mainly as a result of the banking and commercial crisis of the preceding year which had been more severe there than elsewhere. There was also considerable uneasiness in the Punjab, which had likewise suffered from the late banking crisis, but it was in Bombay that the difficulties I have mentioned arose in the most acute form. The deposits in our Post Office savings banks amounted in all to somewhat over 23 crores at the beginning of this year and by the 31st of July had risen to 24½ crores, the increase being due mainly to the more liberal conditions announced in paragraph 58 of my speech introducing the last Financial Statement. From the second week of August there was a heavy and excited run by savings banks depositors upon their funds, and in August and September together there was a net withdrawal of about 6 crores (£4 million) of these deposits, due to misguided apprehension in regard to the effects of the war upon the stability of the Government of India, which was every now and then fanned by wild stories of imaginary reverses sustained by our allies or ourselves, and by the untoward incidents connected with the career of the late *Emden*. Since then the drain has materially slackened, but in all we calculate that by the end of this year we shall have lost about £7 million of savings banks deposits which we have had to pay out from our general balances. I may say here that we did what we could to promote confidence

by putting the Post Offices in adequate funds and enjoining the prompt payment of all claims; and it is perhaps a welcome indication of the way in which the strength of our financial position is really viewed by our enemies that a number of German prisoners at Ahmednagar have themselves opened accounts with the Government savings banks.

8. The demand for the encashment of currency notes was most serious in Bombay, and the total abnormal encashment in that Presidency as a result of the crisis has been estimated at about $2\frac{3}{4}$ crores in August and September out of $4\frac{1}{4}$ crores in respect of India as a whole. Outside Bombay the largest encashment occurred in Burma, and in the Punjab too it was considerably larger than in ordinary years; but in these cases the increase appears to be due as much to the special trade conditions of the year as to uneasiness arising directly from the crisis.

The Government at once took steps to check any panic by issuing instructions that every endeavour should be made to meet promptly all demands for encashment at district treasuries, whereas ordinarily, it will be remembered, a note is only encashable as of right at a Currency centre. A very large number of notes were cashed in this way in the districts, especially in Bombay and the Punjab, and it may be hoped that when the crisis passes away, the measures we took will have the effect of ensuring a permanent increase in the popularity of currency notes and consequent extension in their use. It must be borne in mind, however, that the very fact that we were obliged to strengthen the cash resources of district treasuries and of the savings banks, besides adding to our deposits with *muffasal* branches of Presidency Banks, imposed an extra strain on our balances by preventing the economy which we usually obtain by their concentration, so far as possible, at the Presidency towns and other important commercial centres.

The abnormal run on our notes was of relatively short duration. Nevertheless, owing to depressed trade conditions resulting from the war, our net note circulation, excluding the holdings by Reserve Treasuries and by the Presidency Banks at their head offices, remained nearly 7 crores (£$4\frac{2}{3}$ million) less at the end of January than on the corresponding date in 1914.

9. Having regard to the present abnormal trade conditions and to the extraordinary strain on our credit generally, I consider that the position of our paper money calls for full satisfaction. Our notes circulate freely, and apart from very minor temporary local incidents, there has never been any question of their being depreciated as compared with coin. We may also regard with pleasure the present position, in quite exceptional conditions, of our Government paper, as well as of the somewhat analogous securities of our great Municipal Corporations and Port Trusts. Our $3\frac{1}{2}$ per cent. rupee paper was quoted at Rs. 95-14 this time last year, and it now stands at only some Rs. $3\frac{1}{2}$ less—a striking testimony, surely, to the strength and stability of our financial position.

10. As I have already said, the Secretary of State's council drawings had been relatively small before the war began, and owing to the fall in exchange caused mainly by the dislocation of our export trade, they have been since then, and until quite lately, at a very low level. In all, we estimate that during the current year he will have obtained £6·9 million* by ordinary council bills and telegraphic transfers, against £20 million which we estimated in the Budget as being the extent of his requirements for Ways and Means purposes. In the earlier stages of the crisis he also transferred to his treasury £1 million of the gold held in London on account of the Paper Currency Reserve, an opposite payment to that Reserve being made in India; and he has been helped by gold remittances from India to the extent of about £600,000. Also we have had to spend here, in connection with the war, sums largely in excess of the amount which India contributes as an equivalent of what she would have spent in normal times on the expeditionary forces she has sent in aid of the Home Government. This excess outlay is recoverable from His Majesty's Government, and is periodically realised from them by the Secretary of State. To that extent, he is in the same position as if he had actually drawn money on council bills, as we meet the expenditure and he gets the equivalent.

Taking his ordinary council drawings together with these other sources of supply, we estimate that in the current year he will, in all, have obtained about £17 million against the Budget estimate of £20 million above referred to.

* Exclusive of £600,000 which he will appropriate to the Gold Standard Reserve from his sales towards the close of the year.

The Secretary of State has thus been far more fully financed than might at first have seemed possible in view of the weakness of exchange in the earlier part of the year and the reversal of the remittance current as soon as the war broke out.

11. I now turn to the effects of the war on the commercial and credit position in India, which of course materially influences our revenue receipts, especially under Customs and Railways In the first place, internal credit was seriously prejudiced by the attitude of a large part of the Marwari community, who play such an important rôle in conducting and financing the trade of the country. Speaking generally, instead of conforming to the excellent British maxim of 'business as usual,' they departed to their homes, taking with them as much of their capital as they could readily lay hold of, and thus materially hampering the working of the credit machinery with which they are so intimately connected. As regards the banks, the position of the Presidency Banks was, as I have already said, very strong before the crisis, and in order to promote public confidence the large Government deposits which they already held were further increased at the outset of the war, and have since been kept at as high a level as our resources permitted. We have preferred, in fact, to borrow somewhat more freely from the Gold Standard Reserve—a matter to which I shall refer later—rather than curtail unduly the resources placed at the disposal of trade.

The bank rate was low when the war commenced, as is usual at that season of the year, being 3 per cent. in Calcutta, 3 per cent. in Bombay, and 4 per cent. in Madras. As a measure of protection, the Bank of Bengal raised its rate to 5 per cent. on the 6th August, and the Bank of Bombay to 4 per cent. on the same day, and to 5 per cent. on the 13th; while later on the rate was increased, at somewhat different dates, to 6 per cent. for all three banks, at which figure it now stands. It is understood that the Indian branches of the Exchange Banks were also in a strong position at the commencement of the crisis.

As regards other banks, the previous year saw the collapse of a large number of (generally speaking) recklessly managed banking institutions. In the light of subsequent events, however, we may reckon it as fortunate that the disappearance of these banks occurred before the present crisis. Though the want of confidence engendered by their failure tended to accentuate the difficulties in Bombay and the Punjab, the situation would have been far more acute had the banks in question been still in existence and then collapsed as they must have done. As it was, two banks which had been badly shaken by the previous crisis, though they survived it, now fell. One of these, the Punjab Co-operative Bank, established in 1905, was compelled to close its doors on the 14th September. Another, the Bank of Upper India, established as far back as 1862, suspended payment on the 8th October. It is probable, however, that these events had been largely discounted beforehand, for they did not produce any widespread panic.

12. I now pass on to the direct effects of the war upon our foreign and internal trade and production. As I have previously said, there had already been a period of depression, though we had every reason to assume that, ordinarily, this would presently have passed away. The first result of the war was naturally to stop our considerable trade with Germany and Austria. India's total import trade in private merchandise was in 1913-14 valued at £122 million, and of this £8·4 million (nearly 7 per cent.) was with Germany, and £2·9 million (or 2·3 per cent.) with Austria-Hungary. Of the exports from India, valued in 1913-14 at £166 million, £17·6 million (10·6 per cent.) represented trade with Germany and £6·7 million (4 per cent.) with Austria-Hungary, the chief items being food-grains, raw cotton and jute, and seeds and hides and skins.

The shutting-off of the export trade to these countries was of course even more serious than the closure of the import trade, both by reason of its greater value and because, while the imports were largely capable of replacement from other sources, the removal of these two customers for exported Indian goods, concurrently with dislocation of trade in other directions, resulted in a reduction in the demand for, and in the price of, certain important commodities, so that in some cases values have been seriously affected as well as volume. Moreover the much higher loss of trade on the export side has, of course, special significance from the point of view of exchange.

The war has likewise produced a complete stoppage of our trade with Belgium, and a very large diminution of that with France, and here again the principal items of export are those just mentioned. Since November, too, we have been at war with Turkey, but our trade with her is much less important. Its chief item is the export of rice to Turkey-in-Asia.

There have also been necessary restrictions in regard to the export of certain articles, dictated in some cases by direct military requirements and in others by the necessity of preventing supplies reaching our enemies through neutral countries. Hides and skins, jute (raw and manufactured), wool, and wheat are among the articles in respect of which the free course of trade has thus been interfered with.

13. The dislocation which resulted from the war was not, however, limited to the shutting down or curtailment of particular elements of India's trade, but extended to her sea-borne commerce as a whole, and especially to the export portion. The main difficulties were not only those of finance, which I have already touched on, and which were aggravated by a general disturbance of the world's exchanges, but also a serious shortage of shipping arising primarily from the necessity for taking up vessels for military transport purposes.

14. The most immediate problems which arose were those connected with jute. Very high prices had been realised for this commodity in the preceding year, and these had actually touched ₹90 per bale of raw jute. With the consequent large sowings in the current year, accompanied by favourable agricultural conditions, a record crop was grown which would in any case have resulted in a very substantial drop in prices. Apart from this, as a consequence (due to the war) of the inability of buyers to take delivery under existing contracts, the jute mills were naturally not prepared to buy largely or except at very low rates. The reluctance of buyers of jute to come into the market at first caused apprehension that the cultivator would decline to sell at the prices offered and would prefer to allow a substantial portion of the crop to remain uncut. This fortunately proved not to be the case, though the price of raw jute necessarily showed a great drop from the record figure obtained in the preceding year, falling as low at one time as ₹31 a bale. The difficulties of the mills were subsequently to some extent removed, as tonnage for the shipment of their goods became more readily available, and this caused some rise in jute prices. But the initial paralysis of the internal trade is clearly indicated by the fact that whereas between August and October 1913 the issue of rupees from the Calcutta Currency Office in connection with the financing of the jute crop, amounted to some 13 crores of rupees, the issue in the corresponding period of 1914 was about 56 lakhs only.

As regards the ryots, although the sudden change from abnormally high to abnormally low prices has gravely affected, for the time being, the general prosperity and well-being of the jute districts, the winter harvest in these tracts has fortunately been quite fair; and we may well hope that, with the better prospects of the jute trade which now seem probable, there will be economic recovery in the supplying areas.

15. While Bengal was thus affected in regard to jute, there were also grave difficulties, mainly on the Bombay side, in respect of another great staple—cotton. The position when the war broke out was itself unsatisfactory, since previous over-trading, and the depression caused by the banking crisis of 1913-14, had led to the accumulation of stocks of piece-goods and the lock-up of capital in connection therewith. Then came the war, and with it the cutting off of large markets and a concomitant world-slump in the price of raw cotton, which in India was further threatened by the fact that the incoming crop promised to be a good one. Moreover, traders who ordinarily take a large part in the internal financing of the cotton crop had, as already stated, left for their homes. The position, and its possible consequences both to traders and ryots, naturally excited grave apprehension in Bombay, and towards the close of November the Government of India called a representative conference, over which I had the honour to preside, to consider the situation, and how far it might be feasible and legitimate for Government to intervene. The action taken as the result of that conference has already been made public by a Government *communiqué* and was further explained a few days later in the speech made by Your Excellency in opening the present Legislative Session. It will suffice to say here that we came to the conclusion that the best method by which we could afford financial assistance—one which would, moreover, be also applicable in the case of other branches of trade that might be threatened by similar disturbance—was to

facilitate an extension of credit which would assist the holding up of existing stocks where occasion required, without prejudicing the supply of capital required for fresh undertakings. The Presidency Banks undertook to give liberal advances for this purpose, while the Government agreed to place them in funds where necessary by loans of public money, which would not be called up till the special circumstances requiring them had passed away. In order to provide us with the necessary resources for doing this, and also to assist us in meeting our other liabilities in the event of unexpected emergency, we obtained the sanction of the Secretary of State to the temporary adoption of a measure which had been recommended by the Royal Commission on Indian Finance and Currency, *viz*, a further investment of £4 million from the Paper Currency Reserve, which the Government could thus draw upon for these purposes by creating a special loan *ad hoc* when they needed to do so.

I may observe here, as an instance of the way in which depression in one branch of trade reacts on another, that a decline in prices of commodities such as jute and raw cotton necessarily restricts the purchasing power of the cultivators and their demand for imported commodities, such as piece-goods.

16. Another staple which has been adversely affected by the war is the ground-nut crop of Madras, which is largely exported to France for the purpose of being made into table oil there. Difficulties were also experienced in connection with tea. After the United Kingdom, India's largest customer for this commodity is Russia, and the disturbance to finance which accompanied the war rendered it impossible at first for the Russian buyers to make their usual purchases. This difficulty was, however, subsequently surmounted, in part, by financial arrangements made between His Majesty's Government and that of Russia which supplied funds in London towards exchange facilities for Russo-British trade.

17. The Council are also aware that a heavy rise in local prices has compelled us to take drastic measures to restrict the export of wheat, and although this action is, we consider, amply justified in the interests of our own people, it necessarily prejudices our export trade.

18. I have said enough to show how seriously and how variously our outward and inward trade has been affected by the conditions arising out of the general war. It is too soon yet to hope for any decisive turn of the tide; but the situation has been eased to some extent by the recovered security of Indian waters, and there are welcome indications, too, of increased confidence and trade activity in India itself. In this connection the following figures, which I owe to the department of Statistics, will be of interest. They show month by month since the war began the falling off in trade as compared with 1913-14, and also compare the totals for the first 9 months of the year with those of the corresponding period in each of the two preceding years.

	Imports.			Exports (Indian Merchandise).		
	1914 ₹ (lakhs).	ecrease ₹ (lakhs) as compared with 1913	Percentage decrease.	1914 ₹ (lakhs).	Decrease ₹ (lakhs) as compared with 1913.	Percentage decrease.
August	12,03	3,20	20	9,63	7,61	44
September . . .	7,40	9,25	56	7,56	11,91	61
October	12,36	4,19	25	9,97	11,71	54
November	11,94	4,52	27	15,80	3,24	17
December	10,20	4,23	29	12,80	6,08	32
Total for five months. . .	54,83	25,39	32	55,76	40,55	42
Total for April—December 1914.	1,09,60	...	...	1,37,80	...	...
Do. 1913.	1,36,28	...	...	1,74,45	...	...
Do. 1912	1,17,13	...	...	1,74,68	...	...

19. I have now concluded my general review of the financial events of the war period up to the present date. We have in truth been much buffeted, but the inherent strength of our financial and economic position has been demonstrated at every turn. Our loans and our paper money stand practically unimpaired in public estimation. An unprecedented drain on our savings banks has been met, and though withdrawals still continue they are now on quite a small scale. So far as India is concerned, there has been no crash in exchange such as pessimists sometimes threatened us with in a world-crisis: on the contrary, the measures taken to maintain the stability of the rupee have met with full success. As regards both foreign and internal trade, after some natural bewilderment and dislocation at the outset, readjustment is already taking place, and at no time has it been necessary to give serious consideration to the expedient of a *moratorium*—the panacea found necessary in so many other countries. Above all, while India has steadily faced all her obligations, she has not had to fall back on outside resources for any extraordinary measure of help. She has borrowed of course more freely, but without prejudicing her credit; and, to a large extent, her additional borrowings have been taken from her own reserves. We cannot say what the future has in store for us, but we are entitled, in the light of our recent searching experience, to look forward to it with sober confidence. That confidence is materially strengthened by the agricultural situation, which affords a most welcome contrast to the conditions prevailing when I presented my last Financial Statement. The south-west monsoon and the winter rains have alike been abundant, and we can now look forward to exceptionally bountiful crops.

Changes in forms of account.

20. I now pass on to the task of laying before Council our estimates of the present and coming years. To enable me to do this, however, I must first explain certain changes which we have adopted, with the approval of the Secretary of State, in Statements A, B and D of the Financial Statement, and which will, I hope, be found to make these more clear.

In the first place, we have got rid of the confusing accounts expedient described as a 'transfer through the Land Revenue head.' At present, as Honourable Members are aware, if the Land Revenue of a province is divided, say, in equal shares between Imperial and Provincial, it is not shown as so divided in our Budget statements and accounts, because any contributions which we may happen to be making to the province are treated as diminishing the Imperial half share and enhancing the Provincial half share, and conversely with any adjustments at the expense of a province in favour of the Government of India. Contributions of the former character are numerous and, in the aggregate, important, especially those which are made under the terms of the Provincial settlements and subsequent allotments in respect of education and sanitation. The method hitherto in force is confusing and, as I have always thought, unscientific. It tends to obscure the real share of Imperial and Provincial Land Revenue according to the settlement and, as brought out in paragraph 23 of my speech last year, it prevents our explaining variations in Land Revenue in the concise way which we can adopt in regard to other heads. There is also the disadvantage that, if new Budget proposals involve further grants to Provincial Governments, the effect of these has to be explained in connection with Land Revenue transactions, whereas they could more conveniently be dealt with by themselves or along with other proposals.

We are accordingly going to confine the Land Revenue transactions to their proper scope, and to show all the adjustments above referred to under a new head entitled 'Transfers between Imperial and Provincial Revenues,' which will be found at the foot of Statement A of the accounts which I am now presenting. All such assignments to Provincial revenues will appear as *deduct* items in the Imperial columns and as *add* entries in the Provincial, the signs being reversed in those relatively infrequent instances in which, for some special reason, a net assignment has to be made from Provincial to Imperial.

21. Secondly, we have eliminated rupee figures from Statements A and B, and have so made it possible, without adding to their size, to arrange them in a form which brings out at once, for both revenue and expenditure, the two main lines of distinction, *viz.*, (*a*) the distribution as between India and England, and (*b*) the

distribution as between Imperial and Provincial. I may add that we have not made any change as regards the figures contained in the Financial Secretary's Explanatory Memorandum, which are primarily expressed in rupee currency

22. Thirdly, we have somewhat amplified Statement D, which shows the transactions of Provincial Governments, following generally the lines adopted in the appendix to the Financial Secretary's Memorandum explaining the Budget estimates for the current year—*vide* page 262 of the Financial Statement for 1914-15. The information now given in the amended statement will, I hope, be of assistance to Honourable Members who are interested in the course of Provincial finance.

23. I have also to draw attention to two further changes which we have made in Statements A and B. The heads of account numbered XXI and 26 used to deal with 'Scientific and other minor Departments' and have hitherto included Agriculture. But in view of the importance of agricultural development and the desirability of readily tracing the progress of outlay thereon, we have now placed agricultural expenditure under a separate head, 26-A, while the other expenditure, hitherto brought together under head 26, now figures under '26-B, Scientific and Miscellaneous Departments.' The same sub-division has been made in the corresponding Receipt head (XXI) of Statement A.

The second of the two changes above mentioned is the amalgamation of the hitherto separate heads of Post Office and Telegraph, following on the amalgamation of the administration of these two Departments.

Forecast of Financial Conditions in 1914-15 and 1915-16.

Revised Estimate of Revenue and Expenditure for 1914-15.

24. The general position, as far as we can now forecast it, is brought out in the following table which compares the current year's Budget and the Revised estimate now put forward.

[In millions of £.]

	Budget, 1914-15.			Revised, 1914-15.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
Revenue . . .	**54·237**	30·842	85·079	**49·927**	30·229	80·156
Expenditure . . .	**52·981**	34·048	87·029	**52·669**	32·446	85·115
Surplus + or deficit — .	**+1·256**	—3·206	—1·950	**—2·742**	—2·217	—4·959

Revenue—Imperial.

25. We budgeted this year for a total Imperial revenue of about £54¼ million. The Revised estimate shows only about £50 million, or a total decrease of £4¼ million, a result which is, speaking generally, entirely attributable to the war, and more especially to the decrease in the two large sources of revenue which have been most severely affected by the consequent dislocation and depression of trade, *viz.*, Railways and Customs.

26. The largest decline in revenue is that expected under State Railways. The Budget estimate of gross receipts for the current year, £37·7 million, was taken at practically the same figure as the actuals of 1913-14. In the first four months of the year, *i.e.*, prior to the outbreak of war, the Railway revenue was some £260,000 in advance of the corresponding period of the preceding year; but in the six months following the outbreak of war there has been a decline of £1,490,000. The Railway revenue has also been affected by the fact that the closing months of 1913-14 and the earlier months of 1914-15 were depressed by the crop failures in Northern India and the commercial and banking crisis in the north and west. Having regard to the

continued depression of trade, we estimate that the total gross receipts this year will be £35·6 million, or about £2 million less than the Budget.

Under working expenses, on the other hand, there is a reduction, as compared with Budget anticipations, of £73,000 only. With a large and sudden drop in a previously established standard of receipts, it is impossible to effect forthwith a proportionate reduction in working expenses. The railways are equipped to carry a certain amount of traffic and, as much of the expenditure is of a fixed character, there are obvious difficulties in reducing its scale, especially when the decline in traffic is temporary, as we expect it to be on the present occasion. Secondly, a large amount of comparatively unremunerative military traffic has been carried in recent months, a fact which evidently tends to raise the general average of working expenses to gross receipts.

Allowing for a small increase in the payment of surplus profits to companies based on the traffic of 1913-14, the actual profits earned in that year being higher than had been anticipated, we take the total decline in net Railway receipts at £2,065,000.

27. Under Customs we now estimate our total revenue at £6,320,000, which is £917,000 less than the Budget anticipation. The most important decreases occur under manufactured articles, sugar, export duty on rice, cotton manufactures, and metals (other than silver) and manufactures thereof, while on the other hand we expect some considerable increase under silver and petroleum.

28. There is also a large fall, amounting to £361,000, in the Interest receipts. About a third of this is due to the depletion of balances in London on which, in normal times, the Secretary of State would have been earning money, pending their eventual employment The rest of the decrease is nominal and is practically counterbalanced by a like reduction under expenditure. It arises from a technical change in the treatment of advances to, and overdrafts of capital by, the Bengal-Nagpur Railway Company in accordance with the provisions of the new contract with them.

29. Under Opium, there is a loss of £283,000, which is due, in large measure, to the war and the consequent disturbance of foreign trade. This led to a heavy fall in prices, which we had to meet by fixing a substantial upset price (R1,600 per chest) below which we refused to sell. The result is that out of the 13 200 chests which we originally expected to sell at an average price of R1,700 a chest, we now expect that about 1,500 chests will remain unsold, and that the average price realized by the remainder will amount to R1,589 only.

Stagnation of business, and interference with telegraphic communication entailed by war conditions, also account for a fall of £213,000 in the gross receipts of Posts and Telegraphs.

30. Economic depression has likewise left its mark on other heads, though in their cases the loss is shared with Provincial. Our Excise revenue has naturally fallen much below budget anticipations. The same is true of Stamps; and under Land Revenue too there is a considerable decline, to which other circumstances have also contributed. Scarcity conditions at the outset of the war, and economic depression afterwards, have caused a return of small coin from circulation, with a corresponding diminution of our anticipated profits on coinage. The only head of revenue in which an important betterment on budget anticipations has occurred is Salt; and here, I regret to say, the improvement is almost wholly illusory, as it represents advance payments of duty effected in the expectation of increased salt taxation.

Revenue—Provincial.

31. The aggregate Provincial revenue was estimated in the current year's budget at £30 8 million, and is now taken at £30·2 million As I have just mentioned in connection with the Imperial figures, there has been a heavy fall under Excise (£266,000), Land Revenue (£255,000) and Stamps (£167,000). The Forest revenue, too, falls short of expectations by £271,000, the decrease occurring mainly in Burma, where war conditions have affected the teak market, and the United Provinces, where a scheme for the supply of railway sleepers has been delayed, with a consequent

reduction on both the revenue and expenditure sides The Irrigation revenue, owing partly to last year's deficient rainfall, has improved.

Expenditure—Imperial.

32. We budgeted for a total Imperial expenditure of almost £53 million, which is now reduced to about £52·7 million. Of this decrease, £200,000 under "Interest on capital deposited by companies" follows automatically on the revised procedure in respect of interest charges referred to in paragraph 28. The estimates for Military Services have naturally been much disturbed by the war, but owing to the operation of several counterbalancing factors, the total figures show relatively little divergence from the Budget, a saving being now anticipated of £64,000 in the gross expenditure and of £13,000 in the net I may also mention incidentally, with reference to paragraph 16 of my speech of last year, that the present estimate provides for the completion of the payment to the Mysore Durbar in respect of the surplus revenues of the Bangalore Assigned Tract.

Expenditure—Provincial.

33 The aggregate Provincial expenditure was taken in the Budget at £34 million. It is now estimated at £1½ million less, *viz.*, about £32½ million. The principal reductions occur under Education (£738,000), Medical (£352,000) and Civil Works (£380,000), and are due to the Local Governments not having spent in full the grants placed at their disposal for the development of education and sanitation and for other purposes. As I suggested in paragraph 28 of my speech last year, I was a little sceptical then as to their ability to spend all that they hoped; and it may be that some lapse would have occurred in any case. But it is only fair to add that, in view of the present financial situation and after reference to the Secretary of State, we issued orders that expenditure not specifically provided for in the Budget should not, save in very special circumstances, be embarked on this year, so that outlay of this description, which would in ordinary years have been found by reappropriation from items where savings were anticipated, has not been incurred.

General Results—Imperial and Provincial.

34. I can now sum up the final position of our revenue account for the current year. As I have shown, the greater portion of the loss of revenue resulting from the war has fallen against the Imperial side, Imperial revenues being more dependent on those resources which are specially responsive to trade conditions; and our expected surplus of £1¼ million has thus been converted into a deficit of £2¾ million In the case of the Local Governments the total loss of revenue, though widely diffused, has been much less, and the scope for retrenchment was greater, owing to the specially heavy provision made in this year's budget for new outlay. The Provincial account has thus improved, the deficit, *i.e.*, drafts on provincial balances, being reduced from the total of nearly £3¼ million allowed in the Budget estimate to about £2¼ million only. Doubtless those Honourable Members who have followed our Railway and Customs returns since the war broke out will be already fully prepared for some such broad results as those which I have just stated, and I think they will agree with me in not being unduly perturbed at this inevitable outcome of war conditions. On the whole account, that is combining the Imperial and Provincial sides, and taking into account retrenchment of expenditure in relief of loss of revenue, the net deterioration, as compared with our expectations when the budget of the year was framed in peace conditions, is just about £3 million.

Revised Estimate, 1914-15. Ways and Means position.

35. Next as regards the Ways and Means position. Honourable Members will recollect that our main task in preparing our financial programme for the current year was

to find means of financing a railway programme of £12 million, in addition to heavy expenditure, amounting to nearly £3¼ million, by Local Governments in excess of the provincial revenues of the year. For these and other less important commitments falling outside the revenue account, we had a satisfactory opening balance to look to, and the promise of a normal surplus in the current year, and of a substantial amount of new deposits in our savings banks which we hoped would be increased by the more elastic rules referred to in paragraph 58 of my last year's speech. For the rest, we proposed to rely, in the main, on a scale of borrowing which had not hitherto been customary. Until the advent of the war, our anticipations promised, as indicated in paragraph 4 above, to be amply fulfilled. There was thus every prospect of our financing the programme of capital outlay which we had laid down for the current year, and of being left with a helpful margin of funds to assist in meeting the requirements of 1915-16. The whole position has, however, been entirely modified by the war. As already stated, our budgeted Imperial surplus of £1¼ million is turned into a deficit of £ 2¾ million, *i.e.*, a total worseness of £4 million. Under Unfunded Debt, the head into which the savings banks transactions referred to in paragraph 7 enter, the net addition to our resources of over £1¾ million which we assumed in the budget is turned into a net drain amounting to more than £5 million, that is a further worseness of nearly £7 million. In these two ways alone the war has therefore taken from us nearly £11 million of the resources on which we relied for capital outlay on railways and irrigation, for the construction of Delhi, for the financing of the expenditure of Local Governments from the large balances to their credit, and a variety of other requirements; and we have lost a further sum of somewhat less than £1 million owing to a larger withdrawal from our treasuries of funds deposited therein by local bodies and other parties which are allowed to bank with us.

36. This aggregate loss of approximately £12 million was partly counterbalanced, as I have said in paragraph 4, by an improvement of about £1½ million in the opening balance of the current year, while Local Governments have curtailed their drawings on our balances by £1 million. There has also been a lapse of £303,000 on the grant for the construction of New Delhi, to which I shall refer at a later stage, and one of £370,000 in the capital grant for railways. These improvements, however, still left a large gap to be filled, as will be seen from the statement below which shows in a concise form how the situation has been met:—

[In millions of £.]

Outlay.	Budget Estimate, 1914-15.	Revised Estimate, 1914-15.	*Assets.*	Budget Estimate, 1914-15.	Revised Estimate, 1914-15.
(1) Capital outlay on—			(1) From balances . . .	4·9	**2·6**
(*a*) Railways . . .	12·0	**11·6**	(2) Imperial surplus or deficit of 1914-15.	1·3	***—2·7***
(*b*) Irrigation . . .	1·2	**1·2**			
(*c*) Delhi	·7	**·4**	(3) Rupee borrowing . . .	3·3	**10·6**
(2) Repayment of India Bonds, e.c. .	·7	**·6**	(4) Sterling borrowing . .	5·9	**10·9**
(3) Outlay from Provincial balances	3·2	**2·2**	(5) Unfunded debt . . .	1·8	***—5·1***
(4) Local loans account, Imperial and Provincial	·1	**·1**	(6) Famine insurance allotment and minor items.	·7	***—·2***
Total .	17·9	**16·1**	Total .	17·9	**16·1**

37. Special reference is invited to items (3) and (4) under 'Assets,' which show that our total borrowings at home and in India have amounted to £12¼ million more than our budget provided for. This completely covers the shortage of funds which we had to meet, and leaves us, for the time being, as I show directly, with very strong cash balances.

In England, the Secretary of State has raised £7 million by India bills in lieu of obtaining about £4½ million by a permanent issue of stock as provided for in the Budget; and has increased by over £2½ million the borrowings through companies which he originally contemplated. In India, besides raising our five-crore loan before the war broke out, we have taken advantage of a spontaneous offer by His Highness the Maharaja Scindia to place 50 lakhs (£⅓ million) at our disposal, and for the rest of our borrowings, namely £7 million, have fallen back upon the Gold Standard Reserve, in which we now hold a large and otherwise unemployed sum of

money through the sale of reverse bills and telegraphic transfers, to which I have already referred. Our advances from this source at one time reached a maximum of £8 million. Subsequently £1 million has been paid back, and a further repayment could have been made had we only the requirements of the current year in view.

38. In any case, however, we have many reasons, in conditions like the present to maintain our balances at a high level. Our resources have to be widely dispersed in order to keep treasuries and savings banks well supplied with funds, so as to meet the claims of depositors or demands for encashment of currency notes, without delay or embarrassment. We desire, too, as I have already said, to avoid as far as possible curtailment of our deposits with the Presidency Banks in view of possible trade conditions. We have also been obliged to spend large sums on account of His Majesty's Government in connection with the expeditionary forces, and war requirements generally, sometime before the outlay could be recovered. Our aggregate cash balances in India and England are consequently now expected to stand at about £21 million on 31st March 1915, as against the budget anticipation of £17¼ million and the £16⅓ million which is usually accepted as our normal requirement. As I shall show later on, the excess of some £4¾ million over the latter sum will be fully required next year.

Budget Estimate of Revenue and Expenditure for 1915-16.

39. I now turn to the Budget figures for 1915-16. The general results are exhibited in the statement below:—

[In millions of £.]

	Revised, 1914-15.			Budget, 1915-16.		
	Imperial.	Provincial.	Total.	**Imperial.**	Provincial.	Total.
Revenue . . .	**49·927**	30·229	80·156	**49·655**	30·692	80·347
Expenditure . . .	**52·669**	32·446	85·115	**52·425**	31·755	84·180
Deficit (—) .	**—2·742**	—2·217	—4·959	**—2·770**	—1·063	3·833

40. It will be seen that we estimate for a deficit on the Imperial side amounting to about £2·8 million, and that Local Governments are being permitted to draw on their balances to the extent of £1 million. The aggregate excess of expenditure over revenue on the combined Imperial and Provincial account is thus about £3·8 million, against £5 million in the current year. As already stated, our Budget is based on the assumption that war will continue throughout the year, and on this hypothesis, we must allow for a deterioration of revenue extending over twelve months, as compared with the eight months of war conditions experienced in the current year. On the other hand, we may fairly assume that there will be some recovery—of which indeed there are already signs—from the general dislocation of trade which was specially acute in the opening stages of the war; and also, in view of present agricultural prospects, that, apart from the war, the position under such heads as Land Revenue will be better in certain provinces than it has been in the present year. On the whole, therefore, so far as present indications point, we need not anticipate that the eventual general results will differ widely from those of 1914-15.

Revenue—Imperial.

41. Thus, we budget for a total Imperial revenue of about £49⅔ million against nearly £50 million taken in the Revised estimate for the current year. The principal further decreases occur under Customs, Salt and Railways, to which heads I shall presently refer more fully. Military receipts too will naturally suffer from the absence of so many troops. On the other hand, according to present prospects, we look, as already stated, for a large improvement under Land Revenue, of which the Imperial share will be £428,000. Under Opium, we expect a betterment of £242,000,

in the anticipation of somewhat improved prices. Our transactions will include a certain amount to be sold direct to the Government of the Straits Settlements, on terms which have now been settled by agreement for a series of years. There is no other important betterment under the principal heads of revenue, which have continued, up to a late stage of estimating, to show the effects of the depression resulting from the war. But some saving (£138,000) will be obtained on the Imperial side by the absence or diminution of certain assignments to Local Governments which appear in the Revised.

42. Under Salt, the advance payments of duty in anticipation of enhanced taxation, which have inflated the revenue of the current year as explained in paragraph 30, will tend to depress it in 1915-16, and we have taken the Budget at £315,000 less than the Revised estimate.

43. Under Customs, we anticipate a further decline of £377,000. We have, in this case, to allow definitely for the probable effect of the war on our import trade during 12 months in 1915-16, as against 8 months of the current year. The goods available for import into India are likely to be materially less than in the present year, owing to the stoppage of trade with enemy countries throughout 1915-16 and other restrictions, and also to the partial withdrawal of the industrial population in the other belligerent countries either to the fighting line or to the manufacture of stores and materiel for war purposes. The set-back to economic prosperity in India itself must also result in some reduction in the demand for imported commodities. On the other hand, the trade routes, it may be anticipated, will continue to be safe throughout 1915-16, and we may look for an appreciable revival of credit and confidence. We have not, therefore, considered it necessary to write down our revenue very heavily as compared with the Revised, except in the two special cases of silver and cotton manufactures. Under the former sub-head, we expect this year a revenue of close on £1 million. This is abnormally high even under peace conditions, and for the coming year we have assumed a yield of £$\frac{2}{3}$ million only Under cotton manufactures, again, we have provided for a decrease of £100,000 owing to the congestion which has prevailed in the market for some time, which will probably be accentuated in present conditions. On the other hand, in the case of the export duty on rice, we have felt able to assume a substantial improvement (£170,000) on this year's revenue. The export of Indian rice to foreign countries has been specially low this year owing partly to the cessation of supplies to enemy countries, and also to the diversion of shipments to India proper in the early months of 1914-15 as a result of the shortage of crops in Northern India. With the present favourable agricultural outlook, we may expect that this latter factor will be no longer operative.

44. Under Railways, we take the net receipts at £260,000 less than the Revised estimate, and the gross receipts at £35·3 million, or £298,000 less. Here, too, the favourable agricultural outlook, and some degree of general trade recovery, may be expected to go far to counterbalance the loss of revenue in the extra four months during which war conditions are assumed to be operative.

Working expenses are taken at £19·9 million or £159,000 more than the Revised. As I have already explained, we could not in any case have hoped that the temporary decline of our railway revenue would be accompanied by a proportionate fall in the cost of carrying the reduced traffic. But apart from that, we have found it necessary to make considerable additional provision for the improvement of the equipment of the railway lines, which was represented to us to have fallen somewhat behindhand in recent years, and to have become a pressing requirement.

With the reduced traffic, the profits payable to companies will also be less and we have provided £197,000 less on this account, thus arriving at the net reduction given above.

Revenue—Provincial.

45. The aggregate Provincial revenue is estimated at £463,000 more than the Revised. Almost the whole of this improvement is contributed by the Provincial share—£379,000—of the increase under Land Revenue to which I have already referred. Apart from this, we cannot look, under continued war conditions, to any strong recovery from the position which the revenue returns for the later months of the present year have disclosed.

Expenditure—Imperial.

46. The total Imperial expenditure for 1915-16 is estimated at about £52·4 million, being £244,000 less than the Revised Our chief economy occurs under the Military services where we are budgeting for a reduction of £582,000. I shall revert to this branch of expenditure in a separate section of my speech, and need only say here that in the present situation we have thought it incumbent upon us to postpone all military expenditure of an ordinary kind which is not immediately required. We shall be faced with some difficult and pressing problems under this head when the war is over, but the present is not the time and occasion when they can suitably be taken up. Apart from the Military charges, the circumstances of Imperial expenditure do not offer great scope for any drastic reduction of grants. We have, however, curtailed the provision for Imperial Civil Works by some £127,000. We also save automatically (to the extent of £272,000) by the recall of officers from leave. That of course implies an additional charge in India under salaries, but this is chiefly borne by the Provincial Governments. Against these economies, we have to provide an additional £520,000 to meet the interest charges on the borrowing programme which I shall shortly lay before Council; and Opium expenditure shows a considerable increase, arising from the necessity of supplementing our supply of 'Bengal opium,' which we obtain from the Gangetic valley, by special purchases in Malwa.

The relief from Famine expenditure in 1915-16, while it eases our Budget under one head, adds to it under another, as it requires us to make a larger provision under the Famine Insurance Grant for reduction or avoidance of debt.

Expenditure—Provincial.

47. We estimate this at £31,755,000, or £691,000 less than the Revised and £2,293,000 less than the current year's Budget. As Honourable Members are aware, the fluctuations in the scale of outlay of the Provincial Governments are at present largely dependent, under the conditions established by the special grants of recent years, on the extent to which it is found possible for them to draw upon their large accumulated balances. When this year's Budget was framed, we authorised such overdrawals to the extent of £3·2 million, which has come down in the Revised, as I have already explained, to £2·2 million. We propose in the current year to allow Local Governments to draw on their balances to the extent of about £1 million only.

In present financial circumstances we might *primâ facie* have been expected to require Local Governments not to draw on their balances next year at all, *i.e.*, to restrict their total expenditure to the revenue raised within the year. But as I have previously mentioned, Provincial revenues too are being affected by the war, and a restriction such as that suggested would have involved a drastic curtailment of normal standards of expenditure, besides arresting all further immediate development on education and sanitation, and interfering with the *quasi*-commitments into which Local Governments have entered in carrying out a programme of special expenditure on these objects which they had every reason to expect to be able to maintain. We find ourselves obliged therefore to recognise the practical need of some relief in this direction. The curtailment of total outlay which will still be necessary, and in regard to which we have received the most loyal co-operation from Local Governments, has resulted, as is natural, in a large reduction (£1,070,000) in the grants for expenditure on public works. Provision is made, however, for some additional outlay under Land Revenue, Police, and some other heads.

48. We expect that with this restricted programme the aggregate Provincial balances on the 31st March 1916 will amount to £6·3 million. Of this, £2·5 million may be taken as accruing from special grants, mainly non-recurring, which have been made by the Government of India, mostly for expenditure in connection with education and sanitation.

General Results—Imperial and Provincial.

49. Reverting to the table in paragraph 39, we estimate that in 1915-16 the total revenue, Imperial and Provincial, will be £80,347,000, and the total expenditure £84,180,000, resulting in an Imperial deficit of £2,770,000 and a Provincial deficit of £1,063,000, the latter to be met by drawing on the balances to the credit of Local Governments.

Ways and Means Estimate for 1915-16.

50. This brings me to the question of the financing of our requirements in the second year of war. I will first give the main figures in millions of pounds, and then explain what they imply :—

Outlay.			*Assets.*	
Imperial deficit		2·8	From balances	4·5
Provincial deficit		1·0	Rupee borrowing	3·0
Capital outlay—			Sterling borrowing	6·5
Railways	8·0		Famine Insurance and miscellaneous items	·4
Irrigation	1·1		Total	14·4
Delhi	·3			
		9·4		
Discharge of debt		1·0		
Unfunded debt		·2		
Total		14·4		
Add—Discharge of temporary debt raised in 1914-15		14·0	*Add*—Renewal of temporary debt raised in 1914-15	14·0
Grand total		28·4	Grand total	28·4

51. We have to find funds from which to meet the Imperial deficit of the coming year and the expenditure by Local Governments in excess of the revenue which they expect to raise in the same period. £1 million of debt, mainly in connection with the purchase of the Indian Midland Railway some years ago, is also due for discharge. By way of precaution, too, we are assuming the possibility of a withdrawal of £1 million more of savings banks deposits during the coming year. This counts as a liability against Unfunded Debt. We still get, however, as in normal years, some credits under this head, more particularly the substantial deposits annually paid into the State Provident funds, so that there is a considerable set-off to the withdrawals from the savings banks for which this estimate makes provision. There remains the head of Capital outlay, under which alone it is optional to us to curtail our commitments. We are very reluctant to do this in the case of Irrigation, and are accordingly providing the entire amount (£1,100,000) which our Public Works advisers consider they can spend. In the case of Railways, however, it is inevitable that some considerable reduction should be made, and in any case, even if funds had been available, it is unlikely that, in the present circumstances of manufacturing establishments at home, anything like the £12 million provided in the current year could again be spent. We have accordingly taken the next year's programme at £8 million. In considering the adequacy of this figure—and I regard it myself as the outside sum which it would be justifiable to provide under present conditions—it must also be remembered that, as stated in paragraph 44, a specially large provision has been made, on the revenue side, for closely connected expenditure on the equipment of our present lines. In the case of Delhi, we have made a very large reduction, confining the next year's grant, as I shall explain in a later section, to a working minimum.

52 The total of these liabilities comes to about £14½ million. In addition, as the statement shows, we have to include, as pending obligations requiring to be dealt with in connection with the coming year's financial programme, the discharge of the £7 million of India bills which the Secretary of State has raised in the current year, and the repayment of our loan of the same amount from the Gold Standard Reserve. Our total obligations are thus raised to some £28½ million.

53. The first of the resources on which we can draw as against these requirements is afforded by the large cash balances with which we shall close the current year. As I have already said, owing to the loans taken from the Gold Standard Reserve, we expect these to stand on 31st March next at about £21 million. Ordinarily we regard £16⅓ million as a sufficient amount to hold in our treasuries in India and at home at the close of a financial year; and we thus have about £4½ million which can be regarded as available towards meeting our liabilities generally and still leave a little margin over the normal closing balances. We shall also set aside from revenue, under

the Famine Insurance Grant head, close on half a million for reduction or avoidance of debt, thus raising our assets to about £5 million. Even so, we are left, however, with some £9½ million still to find, and have also the £14 million of temporary debt still to consider. The question now is, how is this shortage to be dealt with?

No additional taxation.

54. The first method of adding to our resources which would naturally suggest itself—one, indeed, which we have very seriously considered—is to follow the lead of the mother country and impose special taxation; and I have no doubt that the majority of the members of this Council have been asking themselves for some time past what line we shall take on this question. Those who have followed my remarks on the revenue position will, however, have already had their anxiety relieved. We do not propose on this occasion to raise any money by increased taxation. We should not hesitate to do so to meet a deficiency in revenue which promised to be of a more or less abiding character. But the present circumstances are altogether peculiar. We know that, ordinarily, we can count on surpluses. India too has a very small unproductive debt; and, with trade conditions depressed, and the present abnormal rise in food prices in a large part of the country, we have come to the conclusion that we ought not to add to existing taxation unless it is absolutely necessary. We hold that this necessity has not yet arisen, since the deficits of the current and coming years are, as already stated, entirely the product of special and temporary circumstances; while, as regards ways and means, we see our way, in spite of these deficits, to financing all outlay immediately necessary. We have to bear in mind, too, in dealing with an essential point of policy like this, the possibility that an improvement of conditions, whether by the conclusion of peace or otherwise, may, after all, take place sooner than we are yet entitled to assume. When this occurs, we shall, I have no doubt, rapidly regain at any rate a large portion of the savings banks deposits which have been withdrawn from us, and may hope for improvement in other directions as well.

Borrowing programme for 1915-16.

55. I return, then—the taxation alternative being rejected—to the question of how we are to finance the needs of the coming year. In the first place, we propose to continue the loan of £7 million from the Gold Standard Reserve and leave it still outstanding on the 31st March 1916. As I have already said, the money we shall thus employ would otherwise lie inert and the proposed transaction makes no difference to our actual stock of gold or our freedom to use it in supporting exchange. It merely requires the transfer from the Gold Standard to the Paper Currency Reserve of a certain amount of the gold we should otherwise hold in the former, since the gold thus added to the Paper Currency Reserve will enable the transfer therefrom of a corresponding quantity of rupees in aid of our Treasury balances.

The Secretary of State also intends to renew in 1915-16 the £7 million of India bills which he has raised this year. This disposes of the temporary debt for the time being, but still leaves us the original £9½ million to find.

56. We propose to obtain £3 million (4½ crores) of this amount in India. We shall of course raise this by a public loan if, when the time comes, this is found to be feasible. We raised R5 crores in the current year and with great success; but that was before the war, and I fully recognise that the circumstances are now entirely different. I must therefore in any case reserve the consideration of the time and the best method of borrowing in India next year, including, that is, the terms to be offered and the character of the loan. I recognise too that the circumstances prevalent in July, when we usually float our loans, may prove to be so unpropitious that we may find it desirable to have recourse to other methods for raising either a part or the whole of this amount: for example, one alternative open to us might be to increase our borrowing from the Gold Standard Reserve.

57. In addition to the funds which we thus find in India, it is the Secretary of State's intention to raise £6½ million by fresh borrowing in England, either direct or through the agency of companies working State lines. I should add, however, as regards this, what I have already made clear as regards rupee borrowing, that this announcement is subject to the usual reservation that the amount may be varied later on if circumstances should render this advisable.

58. To sum up this examination of a complicated and difficult position, I may briefly state that we propose a reduced but still considerable Railway programme, a full standard of expenditure on Irrigation, and a minimum outlay on Delhi; while to meet our capital outlay and revenue deficits and our other various requirements, we contemplate renewing the temporary loans raised in the current year, and finding a further £9½ million by additional borrowings, whether permanent or temporary, in England or in India. We thus put ourselves in a position to finance all requirements with which, as far as we can at present see, we are likely to be confronted in the coming year, while at the same time providing for the maintenance of an adequate closing balance.

59. I have not taken into account in the above calculations the £4 million up to which the Secretary of State has permitted us to reduce the cash holdings of the Paper Currency Reserve. This money will be primarily held available for loans to banks for the encouragement of credit and trade, without reducing our Treasury balances beyond what is prudent, while if there is any remainder it ought to be treated as a special reserve against unforeseen contingencies. In a year in which there may be so many surprises, it is most desirable to have a reserve of this character.

Remarks on certain special heads.

60. I now furnish some supplementary information in regard to certain special and important heads.

A.—Military Services.

61. The table below shows the gross and net expenditure on Military Services for the coming year and the four years preceding :—

	Gross.					Net, *i.e.*, deducting receipts.
	Army.	Marine.	Military Works.	Special Defences.	Total.	All Military heads.
	£	£	£	£	£	£
1911-12 . . .	19,536,546	450,728	909,657	4,706	20,901,637	19,558,580
1912-13 . . .	19,576,526	479,928	887,379	9,267	20,953,100	19,565,466
1913-14 . . .	19,789,239	512,845	947,297	16,384	21,265,765	19,896,113
1914-15 (Budget) .	20,305,800	504,900	1,022,400	33,000	21,866,100	20,500,000
1914-15 (Revised) .	20,277,200	484,700	1,017,000	23,500	21,802,400	20,486,700
1915-16 (Budget) .	19,831,100	623,800	744,300	21,100	21,220,300	20,000,000

62. The net expenditure in the current year is expected to fall below the Budget provision framed in March last by £13,000 only, due to an anticipated decrease of £64,000 in expenditure, partly counterbalanced by a fall of £51,000 in receipts. The war has necessarily affected the Military estimates of the year in a very considerable degree. On the one hand it has led to some temporary savings in charges as a consequence of exchanges and re-arrangements of troops, of the partial suspension of the Arms Traffic operations in the Persian Gulf, and of the usual trooping service, and also with reference to diminished supply of stores from Europe. *Per contra*, extra expenditure had to be incurred for the protection of India and in connection with the internment of citizens of hostile countries; the prices of food supplies throughout the year show an increase; and the receipts from payment-issues of clothing, provisions, etc, have fallen below the normal standard.

63. For the coming year the net Military expenditure has been fixed at £20 million, or £487,000 lower than the Revised, and £500,000 less than the Budget provision of the present year. In consequence of the war, expenditure is being restricted to what is considered essential for the maintenance of efficiency and the protection of the country, while a further fall in receipts must be anticipated and has been taken into account. Provision has been made for a continuance of work

on certain Royal Indian Marine vessels now on order, for the improvement of the accommodation of Indian combatants and non-combatants, and for progress with the new cantonment of Delhi. A considerable amount of expenditure usually incurred on trooping and the prevention of gun running on our borders temporarily disappears. The trend of food prices, however, continues upward, and this has been provided for by a 5 per cent. increase on the Budget provision of 1914-15 on this account.

64. The figures given above do not include very considerable expenditure which is being undertaken on behalf of the Imperial Government, in the matter of the supply of munitions of war and other stores to the forces of the Empire engaged in active operations, since such outlay is made good to us by His Majesty's Government.

They do, however, include—and I desire to lay special emphasis on this fact—the sums which, under arrangements with His Majesty's Government, initiated by a Resolution brought forward in this Council last autumn, India contributes towards the cost of the war, that is the portion of the total expenditure incurred on the expeditionary forces despatched from this country which she would have had to defray had they remained in India under peace conditions. These arrangements, I may remind the Council, have received constitutional ratification by Resolutions passed in both Houses of Parliament. Your Excellency, speaking in this Council on the 8th September last, mentioned that, on a rough estimate, these arrangements would cost India about £1 million during the current year. That estimate, however, was framed with reference to the expeditionary force we originally sent to Europe. The scale and the directions in which troops from India have since been utilised for the operations which the armies of the King-Emperor are carrying on against his enemies in various parts of the world have since been greatly enlarged; and we now anticipate, though the complicated calculations involved are still subject to further examination, that India's contribution towards the cost of the troops she has furnished will amount to £1·9 million during the current year, and to £4·8 million in 1915-16, on the assumption, which has governed our estimates throughout, that the war will continue to the end of March 1916.

65. The figures just given do not, however, represent the full measure of India's offering towards the expenses of the war. The Indian Princes who have placed their Imperial Service Troops at our disposal in connection with the expeditionary forces are also bearing the normal charges which would fall upon them in peace time, only the additional or war charges being met by His Majesty's Government. Further, some of the Princes have also made generous pecuniary contributions towards the general cost of the war; and I may make special mention here of the fact that His Highness the Maharaja of Mysore, as indicated in Your Excellency's speech to this Council on the 8th September, has given R50 lakhs (£333,000) in this way, while His Highness the Nizam of Hyderabad has made a contribution of R60 lakhs (£400,000). Other similar contributions bring such aggregate donations to £768,000, of which we expect that £480,000 will be paid in the current year, and the balance in 1915-16. Though these loyal and spontaneous contributions are, in the first instance, paid in to us, we have no intention of deriving any benefit therefrom. They will be passed on to His Majesty's Government by an equivalent deduction in the charges we should otherwise have to make against them in connection with special war expenditure.

B.—Famine Relief.

66. Speaking at this time last year, I said that actual famine conditions in the United Provinces were then confined to four districts and that scarcity had been declared in seven others. To the scarcity districts two were subsequently added, but the afflicted area has fortunately been much less than we at one time feared, and, although the calamity has been a severe one, special measures were only found necessary in an area of about 20,000 square miles with a population of nearly 7½ millions.

The number on relief of all kinds reached a maximum of 219,000 at the end of May, but with the advent of the monsoon the number fell rapidly and operations were finally closed down in October. The March rains and a good monsoon helped matters, but, apart from this, distress was confined within comparatively narrow limits not only by the manner in which relief was distributed, by fodder concessions, by liberal *takavi*, and by the suspension and remission of revenue; but also, we are

told by Sir James Meston, by the remarkable capacity which the people themselves have shewn in facing their troubles without direct measures of famine relief. This he ascribes not merely to a succession of excellent seasons, but to a widespread confidence, based on experience, that Government will come to their aid when real necessity arises, and to a stronger power of resistance, due to something more than purely temporary causes, among nearly all classes of the people.

I need not refer to the affected areas in other parts of India, as nowhere was distress anything like so widespread or severe as in the United Provinces.

67. The Budget estimates for the current year provided for an outlay of £299,000 on famine relief, mainly in the United Provinces: the probable expenditure is still estimated at £290,000 of which £106,000 will be borne by Provincial revenues and the balance of £184,000 will fall on Imperial. Agricultural prospects in the areas which were affected by famine are now very satisfactory, and as the estimates for next year are as usual framed on the assumption of a normal monsoon, no outlay on relief is anticipated in that year apart from some small expenditure (about £7,000) in adjustment of this year's accounts.

68. I explained in paragraph 41 of my speech introducing the last Financial Statement that the amount available from the Famine Insurance Grant of £1 million for the reduction or avoidance of debt, after providing for an expenditure of £500,000 on protective works, varies with the actual outlay on famine relief in each year. The amount available for that purpose is estimated at £210,000 in the current year and £493,000 in the next, of which £15,000 and £328,000 respectively, will be charged in the Imperial section.

69. In paragraph 42 of the same speech, I referred to the system of Provincial famine credits, and in a debate in this Council on the 7th March 1914, I promised that I would consider the possibility of modification in the application of this as between the various Provinces. I have fulfilled that promise and, as the result of the investigation made, we have put suggestions to the Local Governments for the simplification of what is now a very complicated system. After full consideration of their replies we shall decide on the precise action which may be necessary and refer the matter to the Secretary of State.

C.—Expenditure from Special Grants, Education, Medical, etc.

70. I went into this matter fully last year, and on the present occasion I need only give a table similar to that exhibited in paragraph 46 of my last year's speech :—

[In thousands of £]

	Total grants given (1911-12 to 1915-16).		Total expenditure incurred* (1911-12 to 1915-16).	Balance expected to be available on 1st April 1916.
	Recurring.	Non-recurring.	Non-recurring.	Non-recurring.
(1) Education	763	3,166	2,078	1,088
(2) Sanitation	245	1,723	1,112	611
(3) Medical relief, etc.	...	58	53	5
(4) Agriculture, etc.	...	177	166	11
(5) Grants for other special purposes	....	1,545	1,416	129
(6) Grants for general purposes—(Discretionary grants)	...	667	388	279
Total	1,008	7,336	5,213	2,123
Add—Savings on recurring grants during foregoing period (about)				395
Total amount expected to be available from special grants on the 1st April 1916				2,518

* Non-recurring figures only are given, as the recurring grants are treated as having been fully worked up to, any savings obtained from those grants in particular years being added at the foot of the statement.

The large balance still in hand is in considerable measure due to the fact that, as already stated, we have found it necessary, in existing circumstances, to debar Local Governments from drawing on their balances with us during the coming year beyond an aggregate amount of about £1 million.

D.—Financial position of the Provinces.

71. The new form of Statement D, to which I have already referred in paragraph 22, exhibits the general financial condition of the Provinces so fully that I need not make any explanatory comment. But it is desirable to say, with reference to the concluding remarks in paragraph 49 of my last year's speech, that we have decided, with the concurrence of the Local Governments concerned, to extend for the present the temporary financial settlements with Bengal, Bihar and Orissa and Assam, which would normally have been put on a permanent basis from the 1st April next. The reason is, of course, that the present time is not an opportune one for dealing with permanent settlements, which can be much more safely framed when the Government of India are in a normal financial condition.

72. We have, however, made a modification in the Burma settlement. I mentioned in paragraph 24 of my last year's speech that we had under consideration a proposal to make some addition to the resources of the Burma Government, and that we had in the meantime given them a non-recurring grant of £100,000. We have now decided, with the approval of the Secretary of State, to make this grant a recurring one, since it was found, on careful examination of the calculations upon which the existing financial settlement with Burma was concluded, that the method adopted was not so favourable to the Local Government as was the case in the permanent settlements concluded about the same time with other provinces. Our present grant is to afford redress in this respect and, as I indicated last year, implies no departure from the general principles upon which our permanent settlements with the provinces are based.

73. Lastly, I may say that we have effected an arrangement with the Punjab Government by which that Government hands over to us a crore of rupees from its very large balances (which have been obtained in great measure by non-recurring receipts from the sale of Government lands) in exchange for a fixed assignment of ₹3½ lakhs per annum. It will be realised, of course, that, as the Provincial balances form part of our general resources, this arrangement does not put an additional crore of rupees into our pockets, but merely saves us from being drawn on to that extent at some subsequent date.

E.—Railways (Capital Outlay).

74. The following statement gives the figures of railway capital expenditure on State-owned lines included within the Railway programme for the coming year and the four years preceding:—

	1911-12.	1912-13.	1913-14.	1914-15 (Revised).	1915-16 (Budget).
	£	£	£	£	£
Open lines including rolling stock .	5,058,390	7,134,200	10,303,100	10,372,700	6,947,000
Lines under construction—					
(*a*) Started in previous years .	2,403,853	2,658,700	1,871,500	1,259,700	719,700
(*b*) Started in current year .	452,150	103,200	131,700	...	333,300
.	7,914,393	9,896,100	12,306,300	11,632,400	8,000,000

As I have already explained, the financial position necessarily requires a material curtailment of the Railway programme for 1915-16 as compared with the figures reached in the three preceding years. The greater part of the money included within the reduced programme is as usual devoted to the improvement of open lines and rolling stock.

75. As regards railways under construction, the Lower Ganges Bridge, which has for the past few years made so heavy a call upon our resources, will be opened

for traffic in a few days, and the outlay required for its final completion is very small. The Itarsi-Nagpur Railway is not yet completed, and we propose to spend £333,000 on this important project in order that, if possible, it may be opened to public traffic before the close of the next financial year. The only other important lines still under construction are the Burdwan-Howrah Chord, and the scheme for an overhead connection of the Great Indian Peninsula Railway in Bombay with its Harbour branch. These are both equivalent to works of open line improvement, since they are primarily designed for the relief of traffic on existing routes, and we propose to allot funds which will permit of a full rate of progress being maintained throughout the year.

We have also reserved funds for several new projects. Among these, the Vishnupur-Santragachi Chord is, like the Burdwan-Howrah, primarily intended for the relief of the existing lines between the coal-fields and Calcutta. The Dholka-Dhanduka Railway, again, is a project for which we made provision in our programme of the current year, but the commencement of which had for unavoidable reasons to be deferred. Provision is also made for the last section of the Southern Shan States Railway. The construction of this important pioneer line has been completed up to the plateau which divides the Inle valley from the rest of Burma, and it was at one time proposed that the construction of the remaining section, between the plateau and the Inle lake, should be temporarily deferred. It has been represented, however, that the further development of the Southern Shan States will be seriously hampered if this extension is not carried out at once, and the matter is now being taken up.

76. We are thus still able to provide for an appreciable amount of railway extension at the cost of Imperial funds; while the progress of construction by the agency of private enterprise and District Boards, though retarded by the war, will not by any means be stopped. Last year I informed the Council that in 1913-14 seven different undertakings, with an intended mileage of 292, had been sanctioned for construction, either under branch line terms or as feeder lines financed by District Boards in Madras, and, but for the war, there would doubtless, as I anticipated then, have been at least as good progress this year, for in its first six months branch line companies had been successfully floated for the construction of 172 miles of railway. Since then, in spite of the war, the capital required for three branch lines of railway, involving a mileage of 62, has been successfully raised, while several District Board projects are likely to mature in the near future.

77. The following figures show the capital outlay on all State lines up to the end of each year from 1911-12 and the net return obtained after deducting working expenses and interest charges:—

[In thousands of £]

	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.
Capital at charge at end of each year .	331,247	340,103	351,302	361,756	368,513
Net working profit from railways excluding interest charges.	15,813	17,272	17,616	15,102	14,774
Percentage of net working profit to capital outlay.	4·77	5·08	5·01	4·18	4·01
Net working profit from railways after meeting interest charges.	3,788	4,803	4,790	1,914	1,179
Percentage to capital outlay of net profits after meeting interest charges.	1·14	1·41	1·36	·53	·32

78. I have amplified the statement, as compared with the information given last year, so as to discriminate the profits obtained before meeting interest charges from those finally arrived at by the inclusion of the interest burden. I may explain too that the capital outlay now shown represents the amount which it has actually cost Government to acquire and construct its railways, including the portion of the liability in connection with purchased lines which remains to be discharged by the

operation of annuity and sinking fund payments. In the case of purchased railways, it has hitherto been the practice to show in the capital outlay the capital issued by the companies before purchase instead of the sums which it has cost Government to acquire the lines. The latter figures are what we are concerned with in working out the profit we obtain from State outlay, and I have substituted them for the capital issued by the companies in arriving at the figures shown in the foregoing table. I have also deferred to an occasional criticism of our figures by deducting debt which has been extinguished by the operation of annuity and sinking fund payments.

79. The final net profit on railways was estimated in the current year's budget at 1·14 per cent. of the capital on the method then adopted, and would have been 1·08 per cent. on the altered basis above explained. We now estimate it at only 0·53 per cent. this year and 0·32 next, the result, of course, of the falling off in net railway earnings which I have already dealt with in my review of the revenue estimates. It must, however, be remembered that, as I said last year, the foregoing figures include some capital outlay on protective railways, and also that, in accordance with the instructions of the Secretary of State, the interest charges include certain annuity and sinking fund payments which really go to the discharge of debt.

F.—Irrigation (Capital outlay).

80. The financial position of our great irrigation undertakings may be gathered from the following table, which brings up to date the information given in previous Financial Statements. The figures are in thousands of pounds.

Particulars.	1911-12.	1912-13.	1913-14.	1914-15. (Revised.)	1915-16. (Budget.)
1	2	3	4	5	6
Productive Works.					
Capital outlay to end of each year	31,929	33,347	34,645	35,823	36,931
Total receipts, including land revenue due to irrigation	3,662	4,065	4,338	4,339	4,397
Total expenses, including interest on debt	2,163	2,263	2,306	2,391	2,438
Net profit	1,499	1,802	2,032	1,948	1,959
Percentage of net profit to capital outlay	4·70	5·40	5·87	5·44	5·30
Protective Works.					
Capital outlay to end of each year	3,804	4,205	4,796	5,354	5,840
Total receipts, including land revenue due to irrigation	71	81	112	102	115
Total expenses, including interest on debt	165	188	213	239	257
Net loss	94	107	101	137	142
Percentage of net loss to capital outlay	2·48	2·55	2·10	2·56	2·43
Minor Works and Navigation.					
Direct receipts	247	266	263	273	283
Expenditure	836	842	914	1,021	949
Net loss	589	576	651	748	666

81 Taking productive, protective and minor works together, on the 31st March last, 61,864 miles of main and branch canals and distributaries had been constructed, which will, it is expected, be increased to 62,901 miles by the end of the current year. They commanded an area of more than 50 million acres of culturable land, of which more than 24 millions were irrigated in 1913-14, and an almost equal area during the current financial year.

82. In addition to the canals in use, there are 41 major projects which are either under construction, awaiting sanction, or being examined by the professional advisers of Government. Of these, 20 are productive and 21 protective ; they are designed to irrigate about 9½ million acres at an aggregate cost exceeding £39 million.

83. No new works of any magnitude were sanctioned during the current year, but a large project of the protective class, known as the Gokak extension scheme, is awaiting the orders of the Secretary of State. This work is estimated to cost about £1·3 million It will irrigate some 132,000 acres in parts of the Belgaum and Bijapur districts of the Bombay Presidency, including Kolhapur and certain adjace t native states.

84. None of the large projects mentioned in paragraph 73 of my speech last year have progressed to a stage at which they can be put up for sanction. The Sukkur Barrage scheme is undergoing fresh investigation, and the questions involved in the Cauvery scheme are not yet fully settled. The Kistna, Sarda, and Sutlej Valley projects are being investigated by the Local Governments concerned, while the Koch dam scheme is now before the Government of India.

85. The Triple Canal project in the Punjab is the most important work at present under construction. Of the three canals constituting this great work, the Upper Chenab and Lower Bari Doab, although not yet finished, are actually in use and are serving considerable areas of *kharif* crops. Extensive *rabi* irrigation will not be possible until a sufficiency of water becomes available in the cold weather, through the opening of the Upper Jhelum canal, the third link in the chain. This canal was expected to be in operation last autumn, but owing to damage to the head works caused by an unfortunate flood which occurred early in 1914, it has been necessary to postpone its opening till October 1915.

Arrangements are now in progress for colonising the extensive waste land commanded by the Lower Bari Doab canal, and already some auction sales have taken place. In the North-West Frontier Province the Upper Swat canal was opened for irrigation in April 1914, and in the Central Provinces the Mahanadi canal has begun supply for irrigation. While numerous tank works exist in this province, this is the first canal system to be constructed there. Good progress has also been made on the Wainganga canal and the Tendula reservoir.

86. In the United Provinces, progress is being made with the construction of permanent head works for the Ganges canal at Hardwar, a measure which will greatly increase the efficiency of that system.

In the Bombay Deccan, two important protective works, the Pravara and Godavari canals, are nearing completion, while the Tribeni canal in Bihar and Orissa has been completed.

G.—Delhi expenditure.

87. The expenditure under the capital head, "51—Initial expenditure on the new Capital," during the current year will, according to present expectations, amount to £363,000 as compared with the budget provision of £666,000. As I said last year, the exact degree of progress to be expected in work immediately connected with the intended buildings could not be settled with any precision until the project estimate had been fully considered and eventually sanctioned. If the somewhat conjectural budget estimate has thus proved to be unduly sanguine, the cause is to be found mainly in the care which has been exercised in considering the various main projects before expenditure was incurred. Thus, in the case of the irrigation scheme for the new city, it was decided to consider several alternative methods of solving the problem before setting work in hand, and the allotment for irrigation works thus remained unutilised. Similarly, work cannot safely be commenced on the larger sanitary projects, such as water supply and sewerage, until the detailed plans and estimates have been prepared and sanctioned, and much of the time of the Delhi Committee's staff has been occupied in work of this kind. Moreover, in

view of the outbreak of war, we have welcomed a slower rate of progress than was originally contemplated. The lapse which has occurred is a useful addition to our general resources, and the avoidance of large commitments in the current year has facilitated the curtailment of the grant in 1915-16, to which I shall shortly refer.

88. As regards work done in the current year, the preliminary task of preparing the site by filling up depressions and removing excrescences has been vigorously prosecuted, and is now well on towards completion. Nearly a third of the works expenditure has been absorbed in this and other preliminary work. More than a third, again, was incurred on the purchase and erection of the machinery and plant required for construction purposes, and the scheme for the supply of electric power for these purposes is now completed and in operation, while some 28 miles of construction light railway have been laid. The Committee have also completed construction roads on the alignment of the future permanent roads. Work has been started on the foundations and basements of the Secretariat, and 6 houses for gazetted officers and over 200 for clerks are already in course of erection. There has also been some small expenditure on the acquisition of further land.

In the special circumstances of the present time, we have thought it desirable to reduce the grant for the coming year to a minimum. The Budget accordingly includes a provision of £267,000 only, which will suffice to carry on, in some degree, the work already in progress, and so obviate the deterioration of material and the disbanding of establishments.

89. In accordance with the undertaking given by the Government of India on previous occasions, a *pro formâ* account of expenditure on Delhi and the Delhi province is published in an appendix to the Financial Secretary's memorandum, together with a prefatory note explaining its scope and the relation between it and our regular accounts. As Honourable Members will see from the prefatory note, the form in which the Delhi accounts are now published was approved by the Comptroller General before its submission to the Secretary of State, who has telegraphed his general acceptance of the proposals put to him in this connection.

Cash Balances, Secretary of State's Council Drawings and Exchange.

90. I have dealt with these matters in a previous portion of my speech and need only remind the Council of the following facts:—

(1) We budgeted this year for an aggregate closing cash balance of £17¼ million, *viz.*, £12·4 million in India and £4·9 million in England. We now expect the total balance to be a little over £21 million, *viz.*, £13·8 million in India and £7·4 million in England.

(2) We estimate that the coming year will close with a practically normal cash balance of about £16½ million, *viz.*, about £12½ million in India and about £4 million in England.

(3) The Secretary of State's drawings were estimated in the current year's Budget at £20 million. For reasons already explained, it is now estimated that he will only have drawn £6·9* million against Treasury balances, while on the other hand we shall have sold £8·7 million of reverse bills and telegraphic transfers. The Secretary of State will, however, have obtained further resources amounting to £8·7 million by recovery from the War Office of sums expended in India on behalf of His Majesty's Government, besides a sum of £1·6 million by transfer from the Paper Currency Reserve in London and by gold remittances.

91. Postulating the continuance of war conditions, we estimate for the present that the amount up to which the Secretary of State will require to draw in the coming year will be £7·7 million only, since he will also be able to finance himself to the extent of £8·4 million by recoveries from the War Office of the character mentioned above, and the Home charges will be less than usual owing to the reduced Railway programme. As usual these announcements are merely provisional, and full discretion is retained to vary the amounts in such a manner as may be found advisable.

92. The average rate of exchange during the present year, calculated on the Secretary of State's drawings, is taken at 16·017 pence per rupee.

---

* Besides £600,000 on account of the Gold Standard Reserve—*vide* footnote to paragraph 10 *supra*.

Currency and Coinage.

93. I have dealt so fully with questions of exchange and currency in the earlier part of my speech that I need not now dwell on the subject at any length. I must, however, refer to the final Report of the Royal Commission on Indian Finance and Currency, which had not been received at the time I presented the Financial Statement of the current year. We have welcomed it as a pronouncement of the highest interest and value, and as affording ample vindication of the general policy of the Government of India in matters of finance and currency in past years. I do not enlarge on the particular recommendations made as they are still *sub judice*. Last summer we referred them for the opinions of Local Governments and representative commercial institutions, but meanwhile war broke out, and, acting upon a suggestion which some of the authorities consulted themselves put to us, we told them that the expression of their views might be deferred until normal conditions had been restored, so that both they and we might bring to bear upon these questions the valuable practical experience which would meanwhile have been gained from the present crisis. Provisionally, however, and without prejudice to the final settlement, we have adopted two of the Commission's proposals by replacing the silver previously held in the Gold Standard Reserve in India by gold, and by taking power to increase the fiduciary portion of the Paper Currency Reserve by £4 million.

We have also, as I have already said, given a public and unqualified assurance of our determination to support exchange by all the means in our power, thus adopting a third and very important recommendation with an emphasis that gives it definite finality.

94. Before the war broke out, we also had under our consideration certain questions connected with the paper currency, the two most important being, perhaps, first, a radical improvement in the form and design of our currency notes—a matter which we have now had to set aside for a time owing to the crisis; and, second, the adoption of measures to facilitate the encashment of notes and so extend their use. As regards this latter question, the war crisis, instead of being a stumbling block, appears to be likely to hasten a solution. In the period of general apprehension and incipient panic which immediately followed the outbreak of war, we regarded it as our foremost duty to secure the unimpeded encashment of our notes in every practicable way; and I think we have had our reward in the confidence which this policy has gained for us. It will be our object, as far as is feasible, to maintain, as a permanent measure, the facilities which we have granted in this period of emergency, and gradually to improve and develop our administrative arrangements with this end in view.

95. As regards gold, our existing stock has naturally, in the conditions of the present year, not been augmented to any material extent from outside, and the net private imports of sovereigns and half-sovereigns in the present year are, so far, but little in excess of £$\frac{3}{4}$ million. As, however, I have already stated, we now hold in India a large stock, namely £10 million, which we are in a position to use for the support of exchange, should circumstances at any time require this.

There has also of course been no further rupee coinage, and the growth of the Gold Standard Reserve has thus been limited to the amounts obtained as interest on the invested portion. On the other hand, the value of the securities held in the Reserve has been written down with reference to the market prices ruling at the beginning of January. The total amount at credit, in England and India combined, thus stood on the 31st January last at £25·6 million. The sale of sterling bills to the extent of about £8$\frac{3}{4}$ million has of course implied a transfer of that amount from the Reserve in England to that in India. But the Home balance, which amounts, at the present valuation, to about £13 million of gold and sterling securities, is still strong, and can be supplemented, if occasion requires, by the shipment of our gold from India. Meanwhile exchange has gone above par, and for several weeks past the demand for reverse drafts has wholly ceased.

Public Debt of India.

96. I should like, in drawing to the conclusion of this speech, to add a few words on the question of India's financial preparedness for war. I said at the outset that our system here has been subjected to a supreme test. If we win our way through

this crisis without drawing upon other resources and other credit than our own, our success will be due to the wise dispositions and the financial self-denial in the past which have built up for India a position of quite exceptional strength. With our restricted money markets here, we stand in need of exceptionally large liquid resources immediately available, and these we possess in our Treasury balances, our Paper Currency Reserve, and our Gold Standard Reserve, the combined efficiency of which is much enhanced by the elasticity of our system, under which, in periods of emergency, one reserve can freely assist another. But more important still is the credit which India has established, through good and evil times alike, by restricting her outlay to her available means, and so avoiding the accumulation of wasteful debt. Almost the whole of her debt today represents productive outlay, normally yielding a return far in excess of the interest which she has to pay on the amount borrowed; sufficient indeed to cover also the interest on the small margin of debt which can be described as unproductive, and still to leave an ample margin. She is thus entirely exempt from the dead weight of interest charges which hamper the finances of most Western countries, and will hamper them to a vastly increased extent by the time this war is finished.

97. The subject was discussed by my predecessor in introducing his Financial Statement for 1909-10. In present circumstances it possesses, I think, a special interest and relevance, and I have thought it worth while to bring up-to-date and present again the figures which he then gave :—

[In millions of £]

	Ordinary debt.	Productive Public Works Debt.			Grand total of debt (columns 1 and 4.)
		Railways.	Irrigation.	Total.	
	1	2	3	4	5
On 31st March—					
1888 . . .	73·0	59·2	17·3	76·5	149·5
1893 . . .	65·0	91·0	19·3	110·3	175·3
1898 . . .	70·0	106·0	21·7	127·7	197·7
1903 . . .	59·1	128·1	24·8	152·9	212·0
1908 . . .	37·4	177·7	29·9	207·6	245·0
1913 . . .	25·0	211·8	37·6	249·4	274·4
1914 . . .	12·8	222·0	39·4	261·4	274·2*

I may explain that for the purpose of these figures rupees have been uniformly converted into pounds sterling at the rate of ₹15 to the pound.†

98. It will be seen that out of a total debt of £274 million at the end of March last, only about £13 million represented ordinary or unproductive debt. The annual interest on the latter was £$\frac{3}{4}$ million only, and on the productive debt about £8$\frac{1}{2}$ million, so that our total interest charges amounted to some £9$\frac{1}{4}$ million. Railways and Irrigation works in the same year (1913-14) yielded us a return of £15$\frac{1}{4}$ million. Thus we still had left some £6 million of clear revenue from our great capital undertakings, after meeting the interest charges on our entire public debt.

99. These figures refer, of course, only to our permanent or funded debt. We have also a certain amount of unfunded debt and other floating liabilities representing savings banks deposits, deposits of State provident funds, balances of local bodies, and so forth, which amounted at the end of 1913-14, to about £33$\frac{1}{4}$ million. On the

* The reduction of total debt here shown is due to the discharge of debt (India bonds and debentures of purchased railways) exceeding the rupee loan of the year (£2 million). There was no issue of India stock in 1913-14.

† I mention this, as, in the Finance and Revenue Statistics of British India, the compiler, prior to the year 1899-1900, obtained his sterling figures by conversion of rupees at the rate of ₹10 to the pound, and thus introduced some superficially confusing results.

other hand, we had due to us on the same date a considerable body of loans given to agriculturists, local bodies, etc., which at the end of 1913-14 aggregated £12¾ million. Our indebtedness outside our regular loans was thus represented by a net figure of £20½ million—a sum which may properly be included in the reckoning, but does not materially affect the broad results already brought out.

100. This then represents the position which India's debt account had attained at the moment when normal conditions were interrupted by the outbreak of war. It is because this position was so strong that we can view without undue disquiet some considerable temporary addition to our debt. It has also to be remembered that, in so far as the borrowings of the war period have been necessitated by the repayment of our savings banks depositors, they represent a discharge of unfunded debt, and these two sets of transactions, namely the drain on the savings banks and the corresponding borrowings, leave our debt position unaltered.

101. While, however, our general position is one on which we may congratulate, I will not say ourselves, but at any rate our predecessors, we must be careful not to allow it to be impaired too readily even by an extraordinary emergency such as this. For this reason, we have had, reluctantly, to reduce to some extent the provision for material and social development on which, in a succession of prosperous years, India has grown accustomed to rely. We have not proposed additional taxation to make good deficits which, we hope, will prove to be temporary only. But, as I have already said, we should not hesitate to do so, if it appeared later that our permanent revenue position was seriously threatened. We must also remember that when the war is ended some of its effects may endure for some time to come, and in particular, that we shall then have to face the question of dealing with the temporary debt which we are now accumulating.

102. In conclusion, I must express my acknowledgments to the officers of the Finance Department for the way in which they have dealt, in their various spheres, with a set of new and difficult conditions, which in many cases have added materially to their work and anxieties. I am deeply indebted to their loyal and efficient aid.

W. S. MEYER.

Delhi, March 2nd, 1915.

FINANCIAL STATEMENT

OF THE

GOVERNMENT OF INDIA

MARCH 1915

ACCOUNTS	1913-14
REVISED ESTIMATES	1914-15
BUDGET ESTIMATES	1915-16

CONTENTS.

	PAGES
I.—GENERAL STATEMENT of the REVENUE, and EXPENDITURE charged to REVENUE, of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	30—31
II.—GENERAL STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	32—33
A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND	34—35
B.—STATEMENT of the EXPENDITURE charged to the REVENUES of INDIA, in INDIA and in ENGLAND	36—39
C.—STATEMENT of RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	40—43
D.—STATEMENT of REVENUE, EXPENDITURE and BALANCES of PROVINCIAL GOVERNMENTS . .	44
E.—ABSTRACT STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND	45

I.—General Statement of the Revenue, and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Revenue—					
Principal Heads of Revenue—					
Land Revenue	A	21,391,575	21,674,100	21,243,000	22,049,600
Opium	„	1,624,878	1,839,100	1,556,100	1,798,000
Salt	„	3,445,305	3,436,900	3,697,300	3,382,100
Stamps	„	5,318,293	5,371,600	5,031,900	5,107,100
Excise	„	8,894,300	9,161,900	8,765,800	8,790,300
Customs	„	7,558,220	7,236,800	6,319,500	5,943,000
Other Heads	„	5,496,175	5,337,300	5,150,400	5,151,000
TOTAL PRINCIPAL HEADS	...	53,728,746	54,057,700	51,764,000	52,221,100
Interest	A	1,352,119	1,376,000	1,008,300	1,057,100
Posts and Telegraphs	„	3,598,519	3,732,400	3,519,300	3,579,200
Mint	„	339,841	249,800	57,900	71,300
Receipts by Civil Departments	„	1,408,286	1,437,300	1,483,500	1,534,000
Miscellaneous	„	772,579	731,700	759,600	583,200
Railways: Net Receipts	„	17,625,634	17,329,700	15,268,300	15,029,300
Irrigation	„	4,713,159	4,559,300	4,713,300	4,795,300
Other Public Works	„	298,640	239,400	266,400	256,100
Military Receipts	„	1,369,652	1,366,100	1,315,700	1,220,300
TOTAL REVENUE	...	85,207,175	85,079,400	80,156,300	80,346,900
DEFICIT	...	...	...	2,741,600	2,770,300
TOTAL	...	85,207,175	85,079,400	82,897,900	83,117,200

DELHI,
FINANCE DEPARTMENT,
March 2, 1915.

R. A. GAMBLE,
Comptroller General.

Revenue, of the Government of India, in India and in England.

	For details, *vide* Statement.	Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	9,274,597	9,341,000	9,018,600	9,539,300
Interest	„	1,515,653	1,607,800	1,480,900	1,465,600
Posts and Telegraphs	„	3,272,984	3,350,000	3,290,100	3,294,400
Mint	„	132,630	104,300	139,400	102,000
Salaries and Expenses of Civil Departments	„	17,934,199	19,793,000	18,890,700	19,130,100
Miscellaneous Civil Charges	„	5,403,804	5,449,700	5,3[illegible]2,500	5,108,400
Famine Relief and Insurance	„	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	„	12,836,101	13,409,000	13,354,700	13,850,000
Irrigation	„	3,531,867	3,651,400	3,729,000	3,650,800
Other Public Works	„	7,010,038	7,456,500	7,016,200	5,818,900
Military Services	„	21,265,765	21,866,100	21,802,400	21,220,300
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	...	83,177,638	87,028,800	85,114,500	84,179,800
Add—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.	End of B	325,692	...	...	...
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	*608,578*	*3,205,900*	*2,216,600*	*1,062,600*
TOTAL EXPENDITURE CHARGED TO REVENUE	...	82,894,752	83,822,900	82,897,900	83,117,200
SURPLUS	...	2,312,423	1,256,500	...	...
TOTAL	...	85,207,175	85,079,400	82,897,900	83,117,200

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts. Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Surplus	C	2,312,423	1,256,500	...	...
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised through Companies towards outlay on State Railways	„	34,667	816,600	2,367,500	6,533,300
Capital contributed by Native States towards construction of State Railways	„	200,000	66,700	66,700	66,700
Capital raised and deposited by Railway Companies (net)	„	4,717,480	888,100	2,044,000	320,600
Debt, Deposits, and Advances—					
Permanent Debt (net incurred)	C	118,200	7,274,600	2,727,200	2,008,700
Temporary Debt (net incurred)	„	...	...	14,333,300	...
Unfunded Debt (net incurred)	„	2,201,970	1,772,100	...	...
Deposits and Advances (net)	„	67,762	...	...	...
Loans and Advances by Imperial Government (net Repayments)	„	213,183	...	...	...
Loans and Advances by Provincial Governments (net Repayments)	„	...	62,200	...	405,000
Loans to Local Boards for Railway Construction	„	7,124	7,400	7,400	7,700
Remittances (net)	„	...	...	...	306,200
Secretary of State's Bills drawn	„	29,050,827	20,000,000	6,900,000	7,700,000
TOTAL RECEIPTS	...	38,923,636	32,144,200	28,446,100	17,348,200
Opening Balance—India	...	19,293,131	14,707,131	15,608,253	13,795,853
England	...	(a) 9,789,634	(a) 7,457,034	(a) 8,157,732	(a) 7,391,032
TOTAL	...	68,006,401	54,308,365	52,212,085	38,535,085

(a) Include balances of the Gold Standard Reserve as shown

R. A. GAMBLE,
Comptroller General.

DELHI,
FINANCE DEPARTMENT,
March 2, 1915.

Government of India, in India and in England.

	For details, *vide* Statement.	Disbursements.			
		Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Deficit	C	...	...	2,741,600	2,770,300
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	„	1,282,262	1,200,000	1,166,400	1,100,000
Outlay on State Railways	„	10,483,200	10,472,700	10,666,600	7,620,200
Initial outlay on new Capital at Delhi	„	447,134	666,700	363,400	266,700
Outlay of Railway Companies (net)	„	2,002,303	1,865,600	1,450,700	701,200
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	14,214,899	14,205,000	13,647,100	9,688,100
Debt, Deposits and Advances—					
Unfunded Debt (net Discharged)	C	...	...	5,070,900	219,900
Deposits and Advances (net)	„	...	2,583,900	1,483,600	1,358,000
Loans and Advances by Imperial Government (net Advances)	„	...	238,700	4,700	153,700
Loans and Advances by Provincial Governments (net Advances)	„	797,937	...	131,600	...
Remittances (net)	„	176,823	6,200	1,088,500	...
Secretary of State's Bills paid	„	29,050,757	20,000,000	6,857,200	7,660,000
TOTAL DISBURSEMENTS	...	44,240,416	37,033,800	31,025,200	21,850,000
Closing Balance—India	...	15,608,253	12,378,031	13,795,853	12,542,853
England	...	(a) 8,157,732	(a) 4,896,534	(a) 7,391,032	(a) 4,142,232
TOTAL	...	68,006,401	54,308,365	52,212,085	38,535,085

(a) In the notes on pages 42 and 43.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

A.—Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1913-1914.					REVISED	
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
Principal Heads of Revenue—	£	£	£	£	£	£	£
I.—Land Revenue	21,391,575	...	**21,391,575**	10,384,600	11,006,975	21,243,000	...
II.—Opium	1,624,878	...	**1,624,878**	1,624,878	...	1,556,100	...
III.—Salt	3,445,305	...	**3,445,305**	3,445,305	...	3,697,300	...
IV.—Stamps	5,318,293	...	**5,318,293**	2,709,789	2,608,504	5,031,900	...
V.—Excise	8,894,300	...	**8,894,300**	2,498,883	6,395,417	8,765,800	...
VI.—Provincial Rates	180,210	...	**180,210**	398	179,812	37,100	...
VII.—Customs	7,558,220	...	**7,558,220**	7,558,220	...	6,319,500	...
VIII.—Assessed Taxes	1,950,250	...	**1,950,250**	1,068,870	881,380	2,008,700	...
IX.—Forest	2,229,872	...	**2,229,872**	74,196	2,155,676	2,005,200	...
X.—Registration	518,962	...	**518,962**	6,418	512,544	492,300	...
XI.—Tributes from Native States	616,881	...	**616,881**	616,881	...	607,100	...
TOTAL	53,728,746	...	**53,728,746**	29,988,438	23,740,308	51,764,000	...
XII.—Interest	1,032,754	319,365	**1,352,119**	1,067,516	284,603	825,800	182,500
XIII.—Posts and Telegraphs	3,593,734	4,785	**3,598,519**	3,598,519	...	3,509,500	9,800
XV.—Mint	339,777	64	**339,841**	339,841	...	57,900	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	373,791	...	**373,791**	19,220	354,571	405,600	...
XVI.—Law and Justice { Jails	288,448	...	**288,448**	31,236	257,212	291,700	...
XVII.—Police	130,339	...	**130,339**	3,909	126,430	132,200	...
XVIII.—Ports and Pilotage	153,609	...	**153,609**	...	153,609	138,900	...
XIX.—Education	247,905	...	**247,905**	5,853	242,052	258,800	...
XX.—Medical	79,712	676	**80,388**	1,271	79,117	86,200	700
XXIA.—Agriculture	65,897	...	**65,897**	8,861	57,036	65,500	...
XXIB.—Scientific and Miscellaneous Departments	66,947	962	**67,909**	10,473	57,436	103,000	900
TOTAL	1,406,648	1,638	**1,408,286**	80,823	1,327,463	1,481,900	1,600
Miscellaneous—							
XXII.—Receipts in aid of Superannuation	144,941	61,869	**206,810**	150,968	55,842	158,100	49,200
XXIII.—Stationery and Printing	93,416	...	**93,416**	41,556	51,860	98,300	...
XXIV.—Exchange	119,741	...	**119,741**	119,741	...	71,700	...
XXV.—Miscellaneous	311,901	40,711	**352,612**	154,504	198,108	368,000	13,700
TOTAL	669,999	102,580	**772,579**	466,769	305,810	696,700	62,900
Railways—							
XXVI.—State Railways (Gross Receipts)	37,545,905	230	**37,546,135**	37,537,881	8,254	35,699,300	400
Deduct:—Working Expenses	*19,572,745*	...	*19,572,745*	*19,566,778*	*5,967*	*19,764,700*	...
Surplus profits paid to Companies, etc.	*440,857*	...	*440,857*	*440,857*	...	*686,700*	...
Net Receipts	17,532,303	230	**17,532,533**	17,530,246	2,287	15,198,900	400
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	16,331	76,770	**93,101**	93,101	...	21,700	47,300
TOTAL	17,548,634	77,000	**17,625,634**	17,623,347	2,287	15,220,600	47,700
Irrigation—							
XXIX.—Major Works: Direct Receipts	2,765,966	...	**2,765,966**	1,161,457	1,604,509	2,743,500	...
Portion of Land Revenue due to Irrigation	1,684,374	...	**1,684,374**	910,519	773,855	1,697,200	...
XXX.—Minor Works and Navigation	262,819	...	**262,819**	101,642	161,177	272,600	...
TOTAL	4,713,159	...	**4,713,159**	2,173,618	2,539,541	4,713,300	...
Other Public Works—							
XXXI.—Civil Works	298,640	...	**298,640**	45,920	252,720	266,400	...
Military Receipts—							
XXXII.—Army: Effective	765,604	315,027	**1,080,631**	1,080,631	...	710,900	320,100
Non-Effective	86,716	36,159	**122,875**	122,875	...	85,500	35,000
	852,320	351,186	**1,203,506**	1,203,506	...	796,400	355,100
XXXIII.—Marine	89,542	...	**89,542**	89,542	...	89,200	...
XXXIV.—Military Works	76,604	...	**76,604**	76,604	...	75,000	...
TOTAL	1,018,466	351,186	**1,369,652**	1,369,652	...	960,600	355,100
Transfers between Imperial and Provincial Revenues	...	...	...	—2,536,386	+2,536,386	...	...
TOTAL REVENUE	84,350,557	856,618	**85,207,175**	54,218,057	30,989,118	79,496,700	659,600

India, in India and in England.

ESTIMATE, 1914-1915.				BUDGET ESTIMATE, 1915-1916.						
	Distribution of Total between		Increase + Decrease — as compared with Budget Estimate, 1914-1915.				Distribution of Total between		Increase + Decrease — of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease — of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915.
Total.	Imperial.	Provincial.		India.	England.	Total.	Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
21,243,000	10,363,100	10,879,900	—431,100	22,049,600	...	**22,049,600**	10,790,700	11,258,900	+375,500	+806,600
1,556,100	1,556,100	...	—283,000	1,798,000	...	**1,798,000**	1,798,000	...	—41,100	+241,900
3,697,300	3,697,300	...	+260,400	3,382,100	...	**3,382,100**	3,382,100	...	—54,800	—315,200
5,031,900	2,564,500	2,467,400	—339,700	5,107,100	...	**5,107,100**	2,602,000	2,505,100	—264,500	+75,200
8,765,800	2,470,500	6,295,300	—396,100	8,790,300	...	**8,790,300**	2,457,400	6,332,900	—371,600	+24,500
37,100	400	36,700	+6,800	30,600	...	**30,600**	200	30,400	+300	—6,500
6,319,500	6,319,500	...	—917,300	5,943,000	...	**5,943,000**	5,943,000	...	—1,293,800	—376,500
2,008,700	1,103,000	905,700	+128,300	1,878,300	...	**1,878,300**	1,036,400	841,900	—2,100	—130,400
2,005,200	55,800	1,949,400	—288,800	2,115,800	...	**2,115,800**	62,400	2,053,400	—178,200	+110,600
492,300	6,200	486,100	—31,000	513,000	...	**513,000**	6,100	506,900	—10,300	+20,700
607,100	607,100	...	—2,200	613,300	...	**613,300**	613,300	...	+4,000	+6,200
51,764,000	28,743,500	23,020,500	—2,293,700	52,221,100	...	**52,221,100**	28,691,600	23,529,500	—1,836,600	+457,100
1,008,300	700,500	307,800	—367,700	884,900	172,200	**1,057,100**	703,300	353,800	—318,900	+48,800
3,519,300	3519,300	...	—213,100	3,498,900	80,300	**3,579,200**	3,579,200	...	—153,200	+59,900
57,900	57,900	...	—191,900	71,300	...	**71,300**	71,300	...	—178,500	+13,400
405,600	33,500	372,100	+8,900	408,900	...	**408,900**	34,200	374,700	+12,200	+3,300
291,700	29,000	262,700	+4,600	304,200	...	**304,200**	28,900	275,300	+17,100	+12,500
132,200	4,900	127,300	+5,100	140,100	...	**140,100**	4,900	135,200	+13,000	+7,900
138,900	...	138,900	—18,300	150,900	...	**150,900**	...	150,900	—6,300	+12,000
258,800	6,700	252,100	+2,700	274,900	...	**274,900**	6,400	268,500	+18,800	+16,100
86,900	1,300	85,600	+8,500	86,300	600	**86,900**	1,200	85,700	+8,500	
65,500	7,700	57,800	—3,600	71,300	...	**71,300**	9,400	61,900	+2,200	+5,800
103,900	12,800	91,100	+38,300	95,900	900	**96,800**	10,900	85,900	+31,200	—7,100
1,483,500	95,900	1,387,600	+46,200	1,532,500	1,500	**1,534,000**	95,900	1,438,100	+96,700	+50,500
207,300	143,900	63,400	+2,700	155,800	34,000	**189,800**	127,400	62,400	—14,800	—17,500
98,300	45,200	53,100	+8,300	96,000	...	**96,000**	43,700	52,300	+6,000	—2,300
71,700	71,700	...	+5,000	...	...	...	...	...	—66,700	—71,700
382,300	207,200	175,100	+11,900	283,400	14,000	**297,400**	115,900	181,500	—73,000	—84,900
759,600	468,000	291,600	+27,900	535,200	48,000	**583,200**	287,000	296,200	—148,500	—176,400
35,639,700	35,632,100	7,600	—2,094,000	35,341,300	400	**35,341,700**	35,333,700	8,000	—2,392,000	—298,000
19,754,700	*19,747,600*	*7,100*	+72,100	*19,913,100*	...	*19,913,100*	*19,906,700*	*6,400*	—8,400	—158,400
685,700	*685,700*	...	—44,000	*488,200*	...	*488,200*	*488,200*	...	+153,500	+197,500
15,199,300	15,198,800	500	—2,066,000	14,940,000	400	**14,940,400**	14,938,800	1,600	—2,324,900	—258,900
69,000	69,000	...	+4,600	21,400	67,500	**88,900**	88,900	...	+24,500	+19,900
15,268,300	15,267,800	500	—2,061,400	14,961,400	67,900	**15,029,300**	15,027,700	1,600	—2,300,400	—239,000
2,743,500	1,116,900	1,626,600	+81,800	2,769,200	...	**2,769,200**	1,175,800	1,593,400	+107,500	+25,700
1,697,200	917,000	780,200	+75,800	1,742,900	...	**1,742,900**	940,500	802,400	+121,500	+45,700
272,600	102,900	169,700	—3,600	283,200	...	**283,200**	105,300	177,900	+7,000	+10,600
4,713,300	2,136,800	2,576,500	+154,000	4,795,300	...	**4,795,300**	2,221,600	2,573,700	+236,000	+82,000
266,400	45,000	221,400	+27,000	256,100	...	**256,100**	42,200	213,900	+16,700	—10,300
1,031,000	1,031,000	...	—38,500	662,900	301,700	**964,600**	964,600	...	—104,900	—66,400
120,500	120,500	...	—2,300	83,500	27,000	**110,500**	110,500	...	—12,300	—10,000
1,151,500	1,151,500	...	—40,800	746,400	328,700	**1,075,100**	1,075,100	...	—117,200	—76,400
89,200	89,200	...	—4,600	68,200	...	**68,200**	68,200	...	—25,600	—21,000
75,000	75,000	...	—5,000	77,000	...	**77,000**	77,000	...	—3,000	+2,000
1,315,700	1,315,700	...	—50,400	891,600	328,700	**1,220,300**	1,220,300	...	—145,800	—95,400
...	2,423,000	+2,423,000	...	...	...	...	—2,285,100	+2,285,100	...	...
80,156,300	49,927,400	30,228,900	—4,923,100	79,648,300	698,600	**80,346,900**	49,655,000	30,691,900	—4,732,500	+190,600

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1913-1914.					REVISED	
	India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Direct Demands on the Revenues—							
1.—Refunds and Drawbacks	336,142	...	**336,142**	226,418	109,724	377,900	...
2.—Assignments and Compensations	1,241,101	...	**1,241,101**	548,566	692,535	1,276,500	...
Charges in respect of Collection, viz. :—							
3.—Land Revenue	3,984,693	1,729	**3,986,422**	293,917	3,692,505	3,954,100	1,800
4.—Opium (including cost of Production)	1,011,696	744	**1,012,440**	1,012,440	...	657,200	600
5.—Salt (including cost of Production)	364,580	793	**365,373**	365,373	...	367,100	1,500
6.—Stamps	66,598	106,545	**173,143**	92,182	80,961	52,700	61,000
7.—Excise	437,433	96	**437,529**	140,082	297,447	462,200	400
9.—Customs	260,818	434	**261,252**	261,252	...	268,600	600
10.—Assessed Taxes	31,254	...	**31,254**	15,748	15,506	33,000	...
11.—Forest	1,169,575	4,913	**1,174,488**	76,146	1,098,342	1,237,100	4,700
12.—Registration	255,453	...	**255,453**	1,832	253,621	261,600	...
TOTAL	9,159,343	115,254	**9,274,597**	3,033,956	6,240,641	8,948,000	70,600
Interest—							
13.—Interest on Debt	3,421,622	5,912,796	**9,334,418**	8,452,492	881,926	3,673,300	6,078,000
Deduct—Amounts chargeable to Railways†	*3,596,912*	*3,706,233*	***7,303,145***	*7,303,145*	...	*4,007,500*	*3,635,000*
„ Amounts chargeable to Irrigation	*1,186,167*	*18,679*	***1,304,846***	*642,590*	*662,256*	*1,246,000*	*120,600*
Remainder chargeable on Ordinary Debt	−1,361,457	2,087,884	**726,427**	506,757	219,670	−1,580,200	2,322,400
14.—Interest on other obligations	789,226	...	**789,226**	789,226	...	738,700	...
TOTAL	−572,231	2,087,884	**1,515,653**	1,295,983	219,670	−841,500	2,322,400
15.—Posts and Telegraphs	3,005,156	267,828	**3,272,984**	3,272,984	...	3,070,300	219 800
17.—Mint	122,066	10,564	**132,630**	132,630	...	129,900	9,500
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,593,108	390,539	**1,983,647**	1,108,784	874,863	1,661,300	408,700
19.—Law and Justice { Courts	3,088,001	159	**3,088,160**	75,581	3,012,579	3,287,700	1,300
19.—Law and Justice { Jails	982,746	157	**982,903**	131,893	851,010	1,009,300	...
20.—Police	4,863,360	1,630	**4,864,990**	244,764	4,620,226	5,239,400	1,200
21.—Ports and Pilotage	204,426	200	**204,626**	200	204,426	212,600	100
22.—Education	3,166,426	10,383	**3,176,809**	120,566	3,056,243	3,214,500	10,300
23.—Ecclesiastical	127,564	148	**127,712**	127,712	...	127,300	400
24.—Medical	1,329,616	8,319	**1,337,935**	138,561	1,199,374	1,502,200	6,400
25.—Political	1,144,044	15,146	**1,159,190**	917,642	241,548	1,130,100	24,000
26A.—Agriculture	533,682	1,257	**534,939**	83,991	450,948	568,000	...
26B.—Scientific and Miscellaneous Departments	439,759	33,529	**473,288**	339,537	133,751	443,300	42,600
TOTAL	17,472,732	461,467	**17,934,199**	3,289,231	14,644,968	18,395,700	495,000
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	209,531	11,189	**220,720**	220,720	...	205,800	10,600
28.—Civil Furlough and Absentee Allowances	1,280	450,326	**451,606**	451,606	...	900	355,000
29.—Superannuation Allowances and Pensions	1,344,840	2,054,647	**3,399,487**	2,167,018	1,232,469	1,443,900	2,058,000
30.—Stationery and Printing	624,448	105,308	**729,756**	214,117	515,639	647,800	118,100
32.—Miscellaneous	555,875	46,360	**602,235**	346,334	255,901	402,500	149,900
TOTAL	2,735,974	2,667,830	**5,403,804**	3,399,795	2,004,009	2,700,900	2,691,600
Famine Relief and Insurance—							
33.—Famine Relief	157,511	...	**157,511**	157,511	...	289,900	...
34.—Construction of Protective Railways	7,835	741	**8,576**	8,576	...	−1,500	...
35.—Construction of Protective Irrigation Works	475,267	16,157	**491,424**	491,424	...	482,500	19,000
36.—Reduction or Avoidance of Debt	342,489	...	**342,489**	92,489	250,000	210,100	...
TOTAL	983,102	16,898	**1,000,000**	750,000	250,000	981,000	19,000
Carried over	32,906,142	5,627,725	**38,533,867**	15,174,579	23,359,288	33,384,300	5,827,900

	ACCOUNTS, 1913-1914.			REVISED ESTIMATE, 1914-1915.		
	India.	England.	TOTAL.	India.	England.	TOTAL.
†Included under the following heads :—	£	£	£	£	£	£
State Railways—Interest on Debt	3,357,109	3,530,733	**6,887,842**	3,991,100	3,553,800	**7,544,900**
Ditto —Interest chargeable against Companies on Advances	239,803	175,500	**415,303**	16,400	81,200	**97,600**
TOTAL	3,596,912	3,706,233	**7,303,145**	4,007,500	3,635,000	**7,642,500**

Revenues of India, in India and in England.

ESTIMATE, 1914-1915.			Increase + Decrease − as compared with Budget Estimate, 1914-1915.	BUDGET ESTIMATE, 1915-1916.					Increase + Decrease − of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease − of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£		£	£	£
377,900	268,400	109,500	+68,300	316,500	...	**316,500**	220,400	96,100	+6,900	−61,400
1,276,500	560,400	716,100	+38,400	1,286,200	...	**1,286,200**	563,700	722,500	+48,100	+9,700
3,955,900	317,100	3,638,800	−227,300	4,121,400	1,300	**4,122,700**	342,100	3,780,600	−60,500	+166,800
657,800	657,800	...	−600	912,500	400	**912,900**	912,900	...	+254,500	+255,100
368,600	368,600	...	−22,700	390,100	900	**391,000**	391,000	...	−300	+22,400
113,700	42,000	71,700	−37,900	59,200	92,000	**151,200**	76,400	74,800	−400	+37,500
462,600	144,600	318,000	−23,900	491,900	200	**492,100**	153,600	338,500	+5,600	+29,500
269,200	269,200	...	−4,300	275,500	300	**275,800**	275,800	...	+2,300	+6,600
33,000	16,800	16,200	+500	34,500	...	**34,500**	17,500	17,000	+2,000	+1,500
1,241,800	82,900	1,158,900	−106,500	1,287,400	4,900	**1,292,300**	96,800	1,195,500	−56,000	+50,500
261,600	1,900	259,700	−6,400	264,100	...	**264,100**	1,800	262,300	−3,900	+2,500
9,018,600	2,729,700	6,288,900	−322,400	9,439,300	100,000	**9,539,300**	3,052,000	6,487,300	+198,300	+520,700
9,751,300	8,833,200	918,100	+175,900	3,926,700	6,092,300	**10,019,000**	9,086,900	932,100	+443,600	+267,700
7,642,500	*7,642,500*	...	−251,300	*4,099,400*	*3,676,800*	***7,776,200***	*7,776,200*	...	−385,000	−133,700
1,366,600	*684,600*	*682,000*	−1,800	*1,301,100*	*122,200*	***1,423,300***	*722,400*	*700,900*	−58,500	−56,700
742,200	506,100	236,100	−77,200	−1,473,800	2,293,300	**819,500**	588,300	231,200	+100	+77,300
738,700	738,700	...	−49,700	646,100	...	**646,100**	646,100	...	−142,300	−92,600
1,480,900	1,244,800	236,100	−126,900	−827,700	2,293,300	**1,465,600**	1,234,400	231,200	−142,200	−15,300
3,290,100	3,290,100	...	−59,900	3,127,300	167,100	**3,294,400**	3,294,400	...	−55,600	+4,300
139,400	139,400	...	+35,100	94,700	7,300	**102,000**	102,000	...	−2,300	−37,400
2,070,000	1,154,600	915,400	+68,800	1,654,300	365,200	**2,019,500**	1,105,400	914,100	+18,300	−50,500
3,289,000	87,000	3,202,000	+148,600	3,312,300	700	**3,313,000**	82,700	3,230,300	+172,600	+24,000
1,009,300	138,000	871,300	+49,700	1,009,800	...	**1,009,800**	136,400	873,400	+50,200	+500
5,240,600	265,300	4,975,300	+37,400	5,354,300	1,300	**5,355,600**	267,300	5,088,300	+152,400	+115,000
212,700	100	212,600	−7,200	215,500	100	**215,600**	100	215,500	−4,300	+2,900
3,224,800	126,700	3,098,100	−775,100	3,314,400	9,300	**3,323,700**	125,100	3,198,600	−676,200	+98,900
127,700	127,700	...	−7,200	135,000	300	**135,300**	135,300	...	+400	+7,600
1,508,600	159,500	1,349,100	−376,400	1,484,900	5,100	**1,490,000**	191,100	1,298,900	−395,000	−18,600
1,154,100	930,400	223,700	+9,900	1,150,700	5,600	**1,156,300**	928000	228,300	+12,100	+2,200
568,000	62,500	505,500	−35,600	606,900	...	**606,900**	68,200	538,700	+3,300	+38,900
485,900	345,400	140,500	−15,200	464,600	39,800	**504,400**	348,600	155,800	+3,300	+18,500
18,890,700	3,397,200	15,493,500	−902,300	18,702,700	427,400	**19,130,100**	3,388,200	15,741,900	−662,900	+239,400
216,400	216,400	...	−5,800	207,200	10,600	**217,800**	217,800	...	−4,400	+1,400
355,900	355,900	...	−77,400	900	83,000	**83,900**	83,900	...	−349,400	−272,000
3,501,900	2,174,000	1,327,900	+52,300	1,484,500	2,059,000	**3,543,500**	2,175,200	1,368,300	+93,900	+41,600
765,900	234,900	531,000	+46,200	650,600	103,100	**753,700**	211,600	542,100	+34,000	−12,200
552,400	329,400	223,000	−72,500	477,800	31,700	**509,500**	204,000	305,500	−115,400	−42,900
5,392,500	3,310,600	2,081,900	−57,200	2,821,000	2,287,400	**5,108,400**	2,892,500	2,215,900	−341,300	−284,100
289,900	183,800	106,100	−8,600	7,100	...	**7,100**	7,100	...	−291,400	−282,800
−1,500	−1,500	...	−1,600	...	...	...	...	...	−100	+1,500
501,500	501,500	...	+1,600	483,500	16,500	**500,000**	500,000	...	+100	−1,500
210,100	15,000	195,100	+8,600	492,900	...	**492,900**	328,200	164,700	+291,400	+282,800
1,000,000	698,800	301,200	...	983,500	16,500	**1,000,000**	835,300	164,700	...	...
39,212,200	14,810,600	24,401,600	−1,433,600	34,340,800	5,299,000	**39,639,800**	14,798,800	24,841,000	−1,006,000	+427,600

BUDGET ESTIMATE, 1915-1916.		
India.	England.	Total.
£	£	£
4,081,700	3,595,600	**7,677,300**
17,700	81,200	**98,900**
4,099,400	3,676,800	**7,776,200**

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1913-1914. India.	England.	Total.	Distribution of Total between Imperial.	Provincial.	REVISED India.	England.
	£	£	£		£	£	£
Brought forward .	32,9 6,142	5,627,725	**38,533,867**	15,174,579	23,359,288	33,384,300	5,827,900
Railways—							
38.—State Railways: Interest on Debt . .	3,357,109	3,530,733	**6,887,842**	6,887,842	...	3,991,100	3,553,800
Annuities in purchase of Railways . .	...	3,379,581	**3,379,581**	3,379,581	...	...	3,357,700
Sinking Funds . .	...	191,707	**191,707**	191,707	...	...	199,400
Interest chargeable against Companies on Advances	239,803	175 500	**415,303**	415,303	...	16,400	81,200
Interest on Capital deposited by Companies	229,839	1,722,577	**1,952,416**	1,952,416	...	56,000	1,932,300
40.—Subsidised Companies: Land, etc. .	55,146	...	**55,146**	52,587	2,559	114,000	...
41.—Miscellaneous Railway Expenditure .	45 894	...	**—45,894**	—45,863	—3	52,800	...
Total .	3,836,003	9,000,098	**12,836,101**	12,833,573	2,528	4,230,300	9,124,400
Irrigation—							
42.—Major Works: Working Expenses .	1,214,429	14	**1,214,443**	551,539	662,904	1,263,000	...
Interest on Debt . .	1,186,167	118,679	**1,304,846**	642,590	662,256	1,246,000	120,600
42A.—Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	83 689	...	**83,689**	83,689	...	66,800	...
43.—Minor Works and Navigation . . .	927,733	1,156	**928,889**	290,099	633,790	1,032,300	300
Total .	3,412,018	119,849	**3,531,867**	1,572,917	1,958,950	3,608,100	120,900
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	1,414	...	**1,414**	...	1,414	1,600	...
45.—Civil Works	6,907,440	101,184	**7,008,624**	1,058,800	5,949,824	6,928,200	86,400
Total .	6,908,854	101,184	**7,010,038**	1,058,800	5,951,238	6,929,800	86,400
Military Services—							
46.—Army: Effective	13,903,495	2,638,876	**16,542,871**	16,542,871	...	14,629,100	2,380,800
Non-Effective	730,495	2,515,873	**3,246,368**	3,246,368	...	736,000	2,531,000
	14,634 490	5,154,749	**19,789,239**	19,789,239	...	15,365,400	4,911,800
46A.—Marine	255.703	257,142	**512,845**	512.845	...	240,400	244,300
47.—Military Works	905 607	41,690	**947,297**	947 297	...	977,400	39,600
47A.—Special Defences (1902)	7,148	9,236	**16,384**	16,384	...	10,500	13,000
Total .	15,802,948	5,462,817	**21,265,765**	21.265,765	...	16,593,700	5,208,700
Total Expenditure, Imperial and Provincial	62,865,965	20,311,673	**83,177,638**	51.905,634	31,272,004	64,746,200	20,368,300
Add—Portion of Allotments to Provincial Governments not spent by them in the year .	325,692	...	**325,692**	...	325,692	...	...
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances . . .	*608,578*	...	***608,578***	...	*608,578*	*2,216,600*	...
Total Expenditure charged to Revenue .	62,583,079	20,311,673	**82,894,752**	51 905,634	30,989,115	62,529,600	20,368,300

	ACCOUNTS, 1913-1914. India.	England.	Total.
Capital Expenditure not charged to Revenue—	£	£	£
48.—State Railways	7,484,613	2,998,587	**10,483,200**
49.—Irrigation Works	1,223,467	58,795	**1,282,262**
Total .	8,708,080	3,057,382	**11,765,462**
51.—Initial Expenditure on new Capital at Delhi	410,723	36,411	**447,134**

Revenues of India, in India and in England—*continued.*

ESTIMATE, 1914-1915.			Increase + Decrease − as compared with Budget Estimate, 1914-1915.	BUDGET ESTIMATE, 1915-1916.					Increase + Decrease − of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease − of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£		£	£	£
39,212,200	14,810,600	24,401,600	−1,433,600	34,340,800	5,299,000	**39,639,800**	14,798,800	24,841,000	−1,006,000	+427,600
7,544,900	7,544,900	...	+497,400	4,081,700	3,595,600	**7,677,300**	7,677,300	...	+629,800	+132,400
3,357,700	3,357,700	...	...	...	3,357,700	**3,357,700**	3,357,700	...	...	...
199,400	199,400	...	...	...	208,100	**208,100**	208,100	...	+8,700	+8,700
97,600	97,600	...	−246,100	17,700	81,200	**98,900**	98,900	...	−244,800	+1,300
1,988,300	1,988,300	...	−199,300	66,900	2,186,400	**2,253,300**	2,253,300	...	+65,700	+265,000
114,000	113,300	700	−80,300	201,100	...	**201,100**	200,000	1,100	+6,800	+87,100
52,800	52,800	...	−26,000	53,600	...	**53,600**	53,600	...	−25,200	+800
13,354,700	13,354,000	700	−54,300	4,421,000	9,429,000	**13,850,000**	13,848,900	1,100	+441,000	+495,300
1,263,000	583,300	679,700	+13,600	1,271,400	...	**1,271,400**	596,100	675,300	+22,000	+8,400
1,366,600	684,600	682,000	+1,800	1,301,100	122,200	**1,423,300**	722,400	700,900	+58,500	+56,700
66,800	66,800	...	+33,300	...	...	**...**	...	...	−33,500	−66,800
1,032,600	319,800	712,800	+28,900	956,100	...	**956,100**	317,700	638,400	−47,600	−76,500
3,729,000	1,654,500	2,074,500	+77,600	3,528,600	122,200	**3,650,800**	1,636,200	2,014,600	−600	−78,200
1,600	...	1,600	−300	1,300	...	**1,300**	...	1,300	−600	−300
7,014,600	1,047,500	5,967,100	−440,000	5,796,400	21,200	**5,817,600**	921,100	4,896,500	−1,637,000	−1,197,000
7,016,200	1,047,500	5,968,700	−440,300	5,797,700	21,200	**5,818,900**	921,100	4,897,800	−1,637,600	−1,197,300
17,010,200	17,010,200	...	−30,100	14,794,500	1,754,500	**16,549,000**	16,549,000	...	−491,300	−461,200
3,267,000	3,267,000	...	+1,500	1,039,100	2,243,000	**3,282,100**	3,282,100	...	+16,600	+15,100
20,277,200	20,277,200	...	−28,600	15,833,600	3,997,500	**19,83,100**	19,831,100	...	−474,700	−446,100
484,700	484,700	...	−20,200	234,900	388,900	**623,800**	623,800	...	+118,900	+139,100
1,017,000	1,017,000	...	−5,400	726,300	18,000	**744,300**	744,300	...	−278,100	−272,700
23,500	23,500	...	−9,500	14,600	6,500	**21,100**	21,100	...	−11,900	−2,400
21,802,400	21,802,400	...	−63,700	16,809,400	4,410,900	**1,220,300**	21,220,300	...	−645,800	−582,100
85,114,500	52,669,000	32,445,500	−1,914,300	64,897,500	19,282,300	**84,179,800**	52,425,300	31,754,500	−2,849,000	−934,700
...	...	...	...	...	...	...	...	...	+2,143,300	+1,154,000
2,216,600	...	*2,216,600*	+989,300	*1,062,600*	...	*1,062,600*	...	*1,062,600*		
82,897,900	52,669,000	30,228,900	−925,000	63,834,90	19,282,300	**83,117,200**	52,425,300	30,691,900	−705,700	+219,300

REVISED ESTIMATE, 1914-1915.			BUDGET ESTIMATE, 1915-1916.		
India.	England.	Total.	India.	England.	Total.
£	£	£	£	£	£
8,258,500	2,408,100	**10,666,600**	5,530,300	2,089,900	**7,620,200**
1,106,400	60,000	**1,166,400**	1,061,000	39,000	**1,100,000**
9,364,900	2,468,100	**11,833,000**	6,591,300	2,128,900	**8,720,200**
305,500	57,900	**363,400**	183,200	83,500	**266,700**

C.—Statement of Receipts and Disbursements of the

	Accounts, 1913-1914.			Revised Estimate, 1914-1915.			Budget Estimate, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	84,350,557	856,618	87,207,175	79,49 ,700	659,600	80,156,300	79,648,300	698,600	80,346,900
Excess of Revenue over Expenditure charged to Revenue			**2,312,423**			**-2,741,600**			**-2,770,300**
Railway, Irrigation, and other Capital not charged to Revenue—									
Capital raised through Companies towards outlay on State Railways	34,667	...	34,667	2,367,500	...	2,367,500	6,533,300	...	6,533,300
Capital contributed by Native States towards construction of State Railways	20 ,000	...	20 ,000	66,700	...	66,700	66,700	...	66,700
Outlay of Railway Companies—									
Repayments	...	5,637	5,637	...	19,400	19,400	...	2,400	2,400
Net			**0**			**0**			**0**
Raised and Deposited by Railway Companies—									
On account of Subscribed Capital	164,692	4,832,788	4 997,480	486,700	1,557,300	2,044,000	320,600	1,996,600	2,317,200
Net			**4,717,480**			**2,044,000**		...	**320,600**
Permanent Debt Incurred—									
Sterling Debt—									
India Stock	...	...		...	...		...	...	
Rupee Debt—									
Rupee Loan	2,000,000	...		3,333,300	...		3,000,000	...	
Total	2,000,000	...	2,000,000	3,333,300	...	3,333,300	3,000,000	...	3,000,000
Net			**118,209**			**2,727,200**			**2,008,700**
Temporary Debt Incurred—									
Temporary Loans	...	...	...	8,333,300	7,000,000	15,333,300	...	7,000,000	7,000,000
Net			**0**			**14,333,300**			**0**
Unfunded Debt—									
Deposits of Service Funds	89,541	...		88,300	...		88,700	...	
Savings Bank Deposits	8,783,483	...		7,466,300	...		6,414,200	...	
Total	8,873,024	...	8,873,024	7,554,600	...	7,554,600	6,502,900	...	6,502,900
Net			**2,201,970**			**0**			**0**
Deposits and Advances—									
Balances of Provincial Allotments	325,692	...		...	...		...	...	
Appropriation for Reduction or Avoidance of Debt	342,489	...		210,100	...		492,900	...	
Deposits of Local Funds—									
District Funds	5,260,391	...		5,210,400	...		4,784,800	...	
Other Funds	1,343,956	...		1,285,900	...		1,229,900	...	
Deposits of Sinking Funds	43,825	...		59,000	...		61,000	...	
Gold Standard Reserve	4,286,872	9,728,945		3,000	10,021,200		...	8,238,600	
Departmental and Judicial Deposits—									
War transactions	...	...		1,587,000	...		81,000	...	
Other	30,205,951	...		30,413,100	...		29,934,200	...	
Advances	5,6 0,420	16,536		6,897,500	1,045,400		8,130,400	1,075,700	
Suspense Accounts	87,499	...		77,600	...		16,200	...	
Miscellaneous	37,632	56		110,200	...		2,900	...	
Total	47,534,727	9,745,437	57,280,164	45,853,800	11,066,600	56,920,400	45,333,300	9,314,300	54,647,600
Net			**67,762**			**0**			**0**
Carried over	143,157,667	15,440,480		147,492,600	20,302,900		141,405,100	19,011,900	

Government of India, in India and in England.

	Accounts, 1913-1914.			Revised Estimate, 1914-1915.			Budget Estimate, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	62,855,965	20,311,673	83,177,638	64,746,200	20,368,300	85,114,500	64,897,500	19,282,300	84,179,800
Add—Provincial Surpluses transferred to "Deposits"	325,692	...	325,692	...	...	...	...	...	...
Deduct—Provincial Deficits charged to "Deposits"	*608,378*	...	*608,378*	*2,216,600*	...	*2,216,600*	*1,062,600*	...	*1,062,600*
Total	62,583,079	20,311,673	82,894,752	62,529,600	20,368,300	82,897,900	63,834,900	19,282,300	83,117,200
Railway, Irrigation, and other Capital not charged to Revenue—									
Outlay on Irrigation Works	1,223,467	58,795	1,282,262	1,106,400	60,000	1,166,400	1,061,000	39,000	1,100,000
Outlay on State Railways	7,484,613	2,998,587	10,483,200	8,258,500	2,408,100	10,666,600	5,530,300	2,089,900	7,620,200
Initial expenditure on new Capital at Delhi	410,723	36,411	447,134	305,500	57,900	363,400	183,200	83,500	266,700
Outlay of Railway Companies—Payments for Capital Outlay	214,823	1,793,117	2,007,940	— 125,500	1,595,600	1,470,100	—425,900	1,129,500	703,600
Net			**2,002,303**			**1,450,700**			**701,200**
Raised and deposited by Railway Companies—Payments for Discharge of Debentures	...	280,000	280,000	...	...	...	...	1,996,600	1,996,600
Net			**0**			**0**			**0**
Permanent Debt Discharged—									
Sterling Debt—									
Madras Railway Debentures	...	170,000		...	...		...	...	
Indian Midland do.	...	1,111,200		...	...		...	407,500	
India Bonds	...	500,000		...	500,000		...	500,000	
Rupee Debt—									
4½ p. c. Loans	1,293	...		...	...		...	...	
4 p. c. Loans	81,047	...		103,500	...		80,700	...	
3½ p. c. Loans	...	...		100	...		100	...	
3 p. c. Loans	18,253	...		2,500	...		2,900	...	
Provincial Debentures	7	...		...	...		100	...	
Total	100,600	1,781,200	1,881,800	106,100	500,000	606,100	83,800	907,500	991,300
Net			**0**			**0**			**0**
Temporary Debt Discharged—									
Temporary Loans	...	...	...	1,000,000	...	1,000,000	...	7,000,000	7,000,000
Net			**0**			**0**			**0**
Unfunded Debt—									
Special Loans	213	...		200	...		200	...	
Deposits of Service Funds	93,096	...		95,900	...		97,400	...	
Savings Bank Deposits	6,577,745	...		12,529,400	...		6,625,200	...	
Total	6,671,054	...	6,671,054	12,625,500	...	12,625,500	6,722,800	...	6,722,800
Net			**0**			**5,070,900**			**219,900**
Deposits and Advances—									
Balances of Provincial Allotments	608,578	...		2,216,600	...		1,062,600	...	
Deposits of Local Funds—									
District Funds	4,388,070	...		5,218,200	...		5,122,700	...	
Other Funds	1,268,258	...		1,393,200	...		1,213,900	...	
Deposits of Sinking Funds	...	...		...	...		...	...	
Gold Standard Reserve	4,300,000	10,709,547		25,200	10,038,000		...	8,238,500	
Departmental and Judicial Deposits—									
War transactions	...	...		44,700	...		1,168,000	...	
Other transactions	29,782,270	...		30,682,900	...		29,980,500	...	
Advances	5,893,406	76,878		7,062,300	1,086,500		8,137,100	1,072,000	
Suspense Accounts	163,303	...		36,400	...		10,300	...	
Exchange on Remittance Account (net)	190	...		...	...		...	...	
Miscellaneous	21,879	23		...	...		...	...	
Total	46,425,954	10,786,448	57,212,402	47,279,500	11,124,500	58,404,000	46,695,100	9,310,500	56,005,600
Net			**0**			**1,483,600**			**1,358,000**
Carried over	125,114,313	38,046,231		133,085,600	36,114,400		123,685,200	41,838,800	

C. Statement of Receipts and Disbursements of the

	Accounts, 1913-1914			Revised Estimate, 1914-1915.			Budget Estimate, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward . .	143,157,667	15,440,480		147,492,600	20,302,900		141,405,100	19,011,900	
Loans and Advances by Imperial Government . . .	377,694	...	377,694	198,400	...	198,400	185,000	...	185,000
Net .			213,183			0			0
Loans and Advances by Provincial Governments . .	1,082,099	...	1,082,099	1,448,200	...	1,448,200	1,576,200	...	1,576,200
Net .			0			0			405,000
Loans to Local Boards for Railway Construction . .	7,124	...	7,124	7,400	...	7,400	7,700		7,700
Net .			7,124			7,400			7,700
Remittances—									
Inland Money Orders .	37,604,247	...		38,666,700	...		39,966,700	...	
Other Local Remittances .	...	...		5,948,100	...		4,365,500	...	
Other Departmental Accounts . . .	21,301	...		...	...		...	...	
Net Receipts by Civil Treasuries from—									
Posts and Telegraphs .	985,361	...		...	...		...	...	
Railways . . .	14,486,413	...		11,087,000	...		12,461,500	...	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs .	...	...		6,030,100	...		1,265,700	...	
Marine . . .	247,052	...		4,96,400	...		3,463,900	...	
Military Works . .	736,861	...		933,300	...		610,300	...	
Military . . .	13,323,625	...		16,825,800	...		18,811,700	...	
Remittance Account between England and India—									
Gold remitted from India .	...	...		...	604,800		...	...	
Transfers through Paper Currency Reserve . .	...	...		...	1,000,000		...	...	
War transactions . .	...	...		604,000	9,293,000		254,000	8,630,000	
Purchase of Silver . .	4,526,611	...		...	...		...	...	
Railway transactions . .	5,008,720	8,855		4,681,900	2,358,500		3,270,700	7,016,500	
Other „ . .	989,722	2,150,713		981,800	1,238,500		1,130,300	1,269,000	
Total .	77,931,213	2,159,568	80,090,781	90,728,100	14,494,800	105,222,900	85,550,300	16,915,500	102,465,800
Net .			0			0			306,200
Secretary of State's Bills drawn . .	...	(b) 29,050,827	29,050,827	...	(c) 6,900,000	6,900,000	...	7,700,000	7,700,000
Total Receipts . .	222,555,797	46,650,875		239,874,700	41,697,700		228,724,300	43,627,400	
Opening Balance . .	19,293,131	(a) 9,789,634		15,608,253	(c) 8,157,732		13,795,853	(d) 7,391,032	
GRAND TOTAL .	241,848,928	56,440,509		255,482,953	49,855,432		242,520,153	51,018,432	

(a) Of this amount £1,005.664 represents the funds of the Gold Standard Reserve.
(c) „ £24,962 „ „ „ „ „ „
(e) In addition to £600,000 for remittance of the Gold Standard Reserve.

DELHI,
FINANCE DEPARTMENT,
March 2, 1915.

R. A. GAMBLE,
Comptroller General.

Government of India, in India and in England—*continued*

	Accounts, 1913-1914.			Revised Estimate, 1914-1915.			Budget Estimate, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	125,114,313	38,046,231		133,085,600	36,114,400		123,685,200	41,838,800	
Loans and Advances by Imperial Government . .	164,511	...	164,511	203,100	...	203,100	338,700	...	338,700
Net .			**0**			**4,700**			**153,700**
Loans and Advances by Provincial Governments .	1,880,036	...	1,880,036	1,579,800	...	1,579,800	1,171,200	...	1,171,200
Net .			**797,937**			**131,600**			**0**
Remittances—									
Inland Money Orders .	37,532,110	...		38,666,700	...		39,966,700	...	
Other Local Remittances	448,415	...		5,948,100	...		4,355,500	...	
Other Departmental Accounts . . .	12	...		...	...		...	...	
Net Payments into Civil Treasuries by—									
Posts and Telegraphs .	992,064	...		...	...		...	...	
Railways . . .	14,823,021	...		11,287,000	...		12,461,500	...	
Net Issues from Civil Treasuries to—									
Posts and Telegraphs .	...	...		6,036,100	...		1,265,700	...	
Marine . . .	247,345	...		4,966,400	...		3,463,900	...	
Military Works . .	737,178	...		933,300	...		610,300	...	
Military . . .	13,323,472	...		16,825,800	...		18,811,700	...	
Remittance Account between England and India—									
Gold remitted from India . . .	...	...		604,800	...		...	...	
Transfers through Paper Currency Reserve . .	...	...		1,000,000	...		...	...	
War transactions .	...	...		10,024,300	604,000		8,337,000	254,000	
Purchase of Silver .	555	4,528,056		...	...		...	...	
Railway transactions .	920	5,016,044		2,325,200	4,718,200		6,500,000	3,747,200	
Other „ .	1,925,966	692,446		1,349,700	1,027,800		1,349,900	1,036,200	
Total .	70,031,058	10,236,546	80,267,604	99,961,400	6,350,000	106,311,400	97,122,200	5,037,400	102,159,600
Net .			**176,823**			**1,088,500**			**0**
Secretary of State's Bills paid . .	(b) 29,050,757	...	29,050,757	(e) 6,857,200	...	6,857,200	7,660,000	...	7,660,000
Total Disbursements .	226,240,675	48,282,777		241,687,100	42,464,400		229,977,300	46,876,200	
Closing Balance .	15,608,253	(c) 8,157,732		13,795,853	(d) 7,391,032		12,542,853	(f) 4,142,232	
GRAND TOTAL .	241,848,928	56,440,509		255,482,953	49,855,432		242,520,153	51,018,432	

(*b*) In addition to £2,150,000 for remittance of the Gold Standard Reserve.
(*d*) Of this amount £8,162 represents the funds of the Gold Standard Reserve.
(*f*) „ £8,262 „ „ „ „

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

D.—Statement of Revenue, Expenditure and Balances of Provincial Governments.

	Accounts, 1913-14.	Revised, 1914-15.	Budget, 1915-16.
Madras—	R	R	R
Balance on April 1st	2,28,58,879	1,75,60,000	1,02,92,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	31,33,500	24,51,000	24,50,000
Other revenue	7,26 09,014	7,34,95,000	7,37.69,000
Total Expenditure	8,10,40,925	8,32,14,000	7,80,33,000
Closing Balance	1,75,60,468	1,02,92,000	84,78,000
Bombay—			
Balance on April 1st	1,79,75,519	1,95,34,000	1,51,78,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	20,78,000	20,88,000	20,80,000
Other revenue	7,71,51,211	7,24.21,000	7,28,20.000
Total Expenditure	7,76,70,645	7,88,65.000	7,71,77,000
Closing Balance	1,95,34,085	1,51,78,000	1,29,01,000
Bengal—			
Balance on April 1st	3,13,30,270	3,18,11,000	2,74,81,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	34.81,000	34.92.000	34,90.000
Other revenue	5,86 60.472	5,74,14,000	5,83,17,000
Total Expenditure	6,16,60,630	6,52,36,000	6,48,29,000
Closing Balance	3,18,11,112	2,74,81,000	2,44,59,000
United Provinces—			
Balance on April 1st	1,84,23,473	1,84,74,000	1,48,95,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	23.41,600	24.22,000	22,27,000
Other revenue	6,56.64,396	6,31,44,000	6,53,15 000
Total Expenditure	6,79,55,292	6,91,45,000	6.90,25,000
Closing Balance	1,84,74,177	1,48,95,000	1,34,12,000
Punjab—			
Balance on April 1st	1,77,84,102	70,92,000*	54,00,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	14.11.000	16,84,000	13.55,000
Other revenue	4,47.31.340	4,59.66.000	4.73,51,000
Total Expenditure	4,68,34,852	4,93,42,000	4,91,64,000
Closing Balance	1,70,91,590	54,00,000	49,42,000
Burma—			
Balance on April 1st	1,30,22,199	1,39,36,000	94,13,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	11.82.000	24.92,000	9,92,000
Other revenue	5,49,63.223	5,26,45,000	5,52,25.000
Total Expenditure	5,54,31,197	5.96,60,000	5,81,27,000
Closing Balance	1,39,36,225	94,13,000	75,03,000
Bihar and Orissa—			
Balance on April 1st	2,00,84,199	1,91,64,000	1,55,63,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	24.56.000	14,64,000	14,61,000
Other revenue	2,81.83.313	2,85,47,000	2,92,33,000
Total Expenditure	3,15,59,375	3,36,12,000	3,40,03,000
Closing Balance	1,91,64,137	1,55,63,000	1,22,54,000
Central Provinces—			
Balance on April 1st	90,72,033	1,09,53,000	95,00,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	10,34,000	9,14,000	9,14,000
Other revenue	2,96,49,750	2,82,94,000	2,83,73,000
Total Expenditure	2,88,02,505	3,06,61,000	2,98,52,000
Closing Balance	1,09,53,278	95,00,000	89,35,000
Assam—			
Balance on April 1st	78,06,494	55,89,000	31,43,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	5,12,500	4,48,000	4,48,000
Other revenue	1,55,94,449	1,40,53,000	1,45,59,000
Total Expenditure	1,83,24,640	1,69,47,000	1,61,07,000
Closing Balance	55,88,803	31,43,000	20,43,000
Total—			
Balance on April 1st	15,83,57,168	14,41,13,000	11,08,65,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	1,76,29,600	1,74,55,000	1,54,17,000
Other revenue	44,72,07,168	43.59.79,000	44,49,62,000
Total Expenditure	46,90,80,061	48,66,82,000	47,63,17,000
Closing Balance	15,41,13,875	11,08,65,000	9,49,27,000
Total (in sterling)—	£	£	£
Balance on April 1st	10,557,144	9,607,600	7,391,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	1,175,307	1,163,700	1,027.800
Other revenue	29.813,811	29,065,200	29.664,160
Total Expenditure	31,272,004	32,445,500	31,754,500
Closing Balance	10,274,258	7,391,000	6,328,400

* The figure here given for the opening Provincial balance of 1914-15 differs from that given for the closing Provincial balance of 1913-14 owing to the surrender by the Government of the Punjab of R1 crore of its balance in lieu of a recurring contribution from Imperial revenues of R3,50,000 per annum with effect from 1st April 1914.

R. A. GAMBLE, *Comptroller General.*

H. F. HOWARD, *Controller of Currency.*

J. B. BRUNYATE, *Secy. to the Govt. of India.*

DELHI,
FINANCE DEPARTMENT;
March 2, 1915.

E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England.

REVENUE AND EXPENDITURE.	ACCOUNTS, 1913-1914.					REVISED ESTIMATE, 1914-1915.		BUDGET ESTIMATE, 1915-1916.	
	Revenue	Expenditure. Refunds and Assignments.	Expenditure. Cost of Collection and Production.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Revenue Heads.	£	£	£	£	£	£	£	£	£
Principal Heads of Revenue — Land Revenue (excluding that due to Irrigation)	21,391,575	770,094	3,986,422	16,635,059		16,491,200		17,117,900	
Opium	1,624,878	6,090	1,012,440	606,348		893,000		881,500	
Salt	3,445,305	262,804	365,373	2,817,128		3,059,600		2,728,200	
Stamps	5,318,293	58,173	173,143	5,086,977		4,856,100		4,896,400	
Excise	8,894,300	103,523	437,529	8,353,248		8,193,800		8,197,000	
Provincial Rates	180,210	522	...	179,688		36,800		30,400	
Customs	7,558,220	147,374	261,252	7,149,594		5,874,500		5,527,400	
Assessed Taxes	1,950,250	13,478	31,254	1,905,518		1,958,000		1,829,600	
Forest	2,229,872	9,936	1,174,488	1,045,448		753,200		816,500	
Registration	518,962	986	255,453	262,523		229,600		247,900	
Tributes	616,881	204,263	...	412,618		399,600		409,000	
Total	53,728,746	1,577,243	7,697,354	44,454,149		42,745,400		42,681,800	
Total deduction from Revenue		9,274,597							
Expenditure Heads.									
Debt Services — Interest	1,352,119	1,515,653			163,534		472,600		408,500
Commercial Services — Posts and Telegraphs	3,598,519	3,272,984		325,535		229,200		284,800	
Railways	17,625,634	12,836,101		4,789,533		1,913,600		1,179,300	
Irrigation	4,713,159	3,531,867		1,181,292		984,300		1,144,500	
Other Public Works — Civil Works, etc.	298,640	7,010,038			6,711,398		6,749,800		5,562,800
Mint	339,841	132,630		207,211			81,500		30,700
Civil Departments	1,408,286	17,934,199			16,525,913		17,407,200		17,596,100
Miscellaneous Civil Services — Superannuation	206,810	3,399,487			3,192,677		3,294,600		3,353,700
Exchange	119,741	...		119,741		71,700			
Miscellaneous	352,612	602,235			249,623		170,100		212,100
Other heads	93,416	1,402,052			1,308,666		1,239,900		959,400
Famine Relief and Insurance — Famine Relief	...	157,511			157,511		289,900		7,100
Other heads	...	842,489			842,489		710,100		992,900
Military Services — Army — Effective	1,080,631	16,542,871			15,462,240		15,979,200		15,584,400
Army — Non-effective	122,875	3,246,368			3,123,493		3,146,500		3,171,600
Marine	89,542	512,845			423,303		395,500		555,600
Military works	76,604	947,297			870,693		942,000		667,300
Special Defences (1902)	...	16,384			16,384		23,500		21,100
Total	85,207,175	83,177,638		2,029,537			4,958,200		3,832,900
Provincial Adjustment — Surplus		...							
Deficit		282,886		282,886		2,216,600		1,062,600	
Total	85,207,175	82,894,752		2,312,423			2,741,600		2,770,300
Surplus				2,312,423					
Deficit							2,741,600		2,770,300
Railway and Irrigation Capital not charged to Revenue:—									
Capital raised through Companies towards outlay on State Railways				34,667		2,367,500		6,533,300	
Capital contributed by Native States towards construction of State Railways				200,000		66,700		66,700	
Capital raised and deposited by Railway Companies (net)				4,717,480		2,044,000		320,600	
Outlay on Irrigation Works					1,282,262		1,166,400		1,100,000
Outlay on State Railways					10,483,200		10,666,600		7,620,200
Initial outlay on new Capital at Delhi					447,134		363,400		266,700
Outlay of Railway Companies (net)					2,002,303		1,450,700		701,200
Debt, Deposits, Advances, and Remittances — Permanent Debt (net)				118,200		2,727,200		2,008,700	
Temporary Debt (net)						14,333,300			
Unfunded Debt (net)				2,201,970			5,070,900		219,900
Loans and Advances by Imperial Government (net)				213,183			4,700		153,700
Loans and Advances by Provincial Governments (net)					797,937		131,600	405,000	
Loans to Local Boards for Railway Construction (net)				7,124		7,400		7,700	
Deposits and Advances (net)				67,762			1,483,600		1,358,000
Remittances (net)					176,823		1,088,500	306,200	
Secretary of State's Bills drawn				29,050,827		6,900,000		7,700,000	
Secretary of State's Bills paid					29,050,757		6,857,200		7,660,000
				38,923,636	44,240,416	28,446,100	31,025,200	17,348,200	21,850,000
Cash Balance — Opening Balance				29,082,765		23,765,985		21,186,885	
Closing Balance					23,765,985		21,186,885		16,685,085
Total				68,006,401	68,006,401	52,212,085	52,212,085	38,535,085	38,535,085

R. A. GAMBLE,
Comptroller General.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT;
March 2, 1915.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 to 1909 (24 & 25 Vict., c. 67, 55 & 56 Vict., c. 14, AND 9 Edw. VII, c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Monday, the 8th March, 1915.

PRESENT:

The Hon'ble SIR HARCOURT BUTLER, K.C.S.I., C.I.E., Vice-President, *presiding*, and 49 Members, of whom 42 were Additional Members.

FINANCIAL STATEMENT.

FIRST STAGE.

The Hon'ble Sir William Meyer:—"I beg to open the first stage of the discussion on the Financial Statement for 1915-16."

RESOLUTION *RE* REDUCTION OF RAILWAY ALLOTMENT AND INCREASE OF ALLOTMENT FOR EDUCATION AND SANITATION.

The Hon'ble Mr. Dadabhoy:—Sir, I beg to move the following resolution:—

'This Council recommends to the Governor General in Council that the allotment for Railways in the coming year be reduced by R50,00,000, and that the amount so freed be allotted to the Provincial Governments for the development of Education and Sanitation.'

"Sir, I should have been reluctant to suggest any change in the Budget Estimate for 1915-16 but for the conviction founded *inter alia* upon the authoritative pronouncements of Government that the claims of Education and Sanitation are paramount, and that there is almost an unlimited scope for the employment of funds, both public and private, for the promotion of Education and Sanitation. The most important pronouncement about the need of Education, and the pronouncement that Educated India treasures in her heart, is that of His Most Gracious Imperial Majesty the King-Emperor, made on 6th January, 1912. In the now celebrated Resolution of the Government of India in the Department of Education of 21st February, 1913, an appeal is made to the public for donations for the support of Education in which 'there is a wide field and a noble opportunity for the exercise on modern

lines of charity and benevolence.' The inference necessarily is that for an adequate progress the efforts of Government must be supplemented by those of private individuals, and that Government alone is unable to do all. In the whole discussion in this Council on my lamented friend Mr. Gokhale's Resolution of Free Primary Education and on his Education Bill, the one fact which was not challenged was that the question of the development of Education was one mainly of funds; in other words, without an unstinted supply of money assured, that adequate progress of the people in Education, about the necessity of which all are agreed, cannot be secured. In presenting the Financial Statement for 1912-13, Sir Guy Fleetwood Wilson referred to 'the growing demand for more schools and healthier homes.' In 1911-12, a large amount was spent by the provinces for the support of Education and Sanitation, and yet an Imperial reserve of £97,000 recurring and £433,000 non-recurring for Education alone was entered in the Budget for 1912-13. In the Revised Estimate for 1912-13, the bulk of the large Imperial surplus was distributed 'in grants to secure a steady progress in Education and Sanitation, an object which has the support of both official and non-official opinion,' and 2½ crores were alloted 'for non-recurring expenditure on Education' and 1½ crores 'for urban sanitation'. In the following year again, *i.e.*, 1913-14, according to the Hon'ble Finance Minister's explanation of the Budget Estimate, 'the Provinces anticipate that they will spend £3,203 more than in the current year, the great bulk of the increase being accounted for under Education, Sanitation and Public Works.' In all these years there was never any complaint that the grants had lapsed through the inability of the Provinces to spend them. It was last year, when the Revised Estimate for 1913-14 was presented by the Hon'ble Sir William Meyer, that there was just a reference in his exhaustive speech to 'the experience of the current year' to justify his scepticism about the ability of the Provinces 'to spend as much as they anticipate, and notably under Education and Medical.' In the absence of more complete data, it would be unfair to base any general conclusion on this experience about the spending capacity of the Provincial Governments. They were sanguine about their ability, and in the Budget Estimate for 1914-15 the Hon'ble Finance Minister, with a statesmanlike appreciation of the needs of the situation, made 'recurring grants of £60,000 for Education and £40,000 for Sanitation' in addition to a substantial non-recurring grant. Even then he was not satisfied, and he regretted his inability to go further in view of the other calls upon Imperial funds. He observed :—

'I need not say that it would have been a great satisfaction to the Government of India if financial conditions had permitted of a larger grant-in-aid of these primary objects of our policy. We fully recognize the necessity of adequate provision for the increase in expenditure which the great advance now being made in Education and Sanitation must inevitably entail. But Hon'ble Members will recognize, I think, that in a year like the present it is not practicable to go further than is now proposed as regards Imperial allotments.'

"Unless, Sir, there was a large scope for the utilization of more money in this direction, these observations lose point. We now have it, however, from the same high authority that provincial expenditure under Education and Sanitation and other Medical heads has been less by £1,090,000 in the current year as against the Budget provision. And we are not left to speculate about the causes. With characteristic fairness the Hon'ble Sir William Meyer has attributed the reduced expenditure, partially at least, to certain instructions issued by the Government of India. Certain other facts connected with provincial expenditure on Education which must be within the knowledge of this Government would prove the inaccuracy, and one might say the injustice, of the suggestion against the Provincial Governments. The Hon'ble Financial Secretary admits in his Memorandum that, 'in spite of the financial situation, most of the Provincial Governments have allotted larger funds from their ordinary provincial resources for the development of Education in various directions.' This does not indicate any slackness on the part of the Provinces to utilise the Imperial grants for Education. It is only fair to assume that any failure to employ the grants must have been due to unavoidable causes. In view of the Budget grants, the Provincial Governments try to put through their schemes as expeditiously as possible, but, as must be well known to all,

the execution of individual schemes is delayed beyond the expected time limit by unforeseen circumstances. The delay over land acquisition proceedings alone would account for much of the so-called inability of the Provincial Governments to spend the whole of the non-recurring grant within one year. Moreover, the settlement of the preliminaries involves a good deal of labour and time. Building sites have to be selected, maps and estimates have to be prepared, land has to be acquired, tenders have to be called and so on. All this means time. It thus happens that the Provincial Governments have to their credit a large amount of cash early in the year, the useful employment of which can only be undertaken towards the close of it. And if the supply is suddenly withdrawn in the following year, when the Provincial Government has, after laborious effort, got the machinery into action, the result must prove disastrous to progress, the blame for which cannot in fairness attach to the Provincial Government concerned It is worse than useless to place funds at the disposal of the Provincial Governments for schemes which cannot be carried through forthwith, and then to cut off the supply at a time when they can be. The Hon'ble Sir William Meyer would seem to have realised the unfairness of the present arrangements himself, as he has referred in his introductory speech to the risk of interference 'with *quasi*-commitments into which Local Governments have entered in carrying out a programme of special expenditure on these objects which they had every reason to expect to be able to maintain.'

"It is true that the budgetted grant to the Provinces shows a slight advance upon the Revised Estimate for the current year (Rs. 4,79,80,000 against Rs. 4,64,71,000), but the unfortunate circumstance is that it is insufficient for any reasonably large progress, and that the large number of schemes that have been got ready within the year will be hung up indefinitely. And this must cause not only serious inconvenience but actual loss. Sir, even in the present Budget, overshadowed as it is by war, forty lakhs of rupees have been provided for the New Capital at Delhi, and the Hon'ble Finance Minister has rightly justified his position by the statement that the amount is just 'which will suffice to carry on in some degree the work already in progress, and so obviate the deterioration of material and the disbanding of establishments.' The same line of reasoning will satisfy the Council that a larger grant is necessary in 1915-16 for the support of Education. The risk of deterioration of building and other materials is, and the consequences of the disbanding of extra establishments like special land acquisition offices are, as great in this department as in any other. It is a poor consolation to the Provincial Governments that 'with this restricted programme the Provincial balances on the 31st March, 1916, will amount to £6·3 million,' and 'of this, £2·5 million may be taken as accruing from special grants, mainly non-recurring, which have been made by the Government of India, mostly for expenditure in connection with Education and Sanitation.' The application of the closing balances of the coming year is uncertain, and it is by no means unlikely that unforeseen factors will come into play to thwart the anticipations of the Hon'ble Finance Minister. The fairly large balances at the end of the current year can only be drawn upon up to a certain limit, namely, one million pounds sterling. I must admit my recommendation is not founded upon any accurate knowledge of the schemes that are ready and that will be starved without the additional grant; but I feel sure the number is large, and a reference to the Education Department will doubtless elicit the fact that I do not exaggerate the necessities of the situation. There is under the circumstances no just cause for the apprehension that if the Budget provision for Education and Sanitation be increased by fifty lakhs, the money would remain idle. That provision for Education alone is less than that made about this time last year by £676,200.

"Sir, the next year's provision for Medical expenditure is less than the Budget provision of the current year by £395,000, and is less than the Revised Estimate for the current year by £18,600. The deputation to military duty out of India of a large number of medical men undoubtedly explains a great deal of this diminished expenditure, but this is not the whole explanation. A heavy reduction in the allotment for Sanitation has much to do with it.

From the Hon'ble Financial Secretary's Memorandum we find that a non-recurring grant of only 15·15 lakhs has been made in aid of Sanitation and Medical expenditure out of the Imperial revenues as against 106·88 lakhs in 1913-14 and 41·36 lakhs in 1914-15, leaving an unspent balance of R95,11,000. This cannot be satisfactory. What is even a grant of 15 lakhs to the whole of India? How many schemes of sanitary improvement could it finance? It is not correct to suggest that that is all that the Provinces can usefully spend next year. With our knowledge of the urgent needs of the local bodies and of sanitary improvement in both urban and rural areas, we can confidently assert that there is just at the present moment in India an almost unlimited scope for the profitable employment of funds. It is money alone which is wanting, and not field for its employment. The insanitary conditions of India, Sir, are notorious; and what with malaria, plague, cholera, small-pox, tuberculosis and other diseases, the mortality among the general population is abnormally high. According to the Statistical Abstract relating to British India, out of a registered population of 238,688,119 so many as 7,639,544 died in 1911 from all causes, or a mean death-rate of 32·01 per mille of population. During the decade 1902-1911, the rate oscillated between 30·91 and 38·21. Of this the mortality from fevers alone was between 17·63 and 23·96 per mille. The average rate improved, it is true, to 29·71 in 1912 and to 28·72 in 1913, and that from fevers to 16·49 in 1912 and to 16·71 in 1913. Still the rates are very high. As pointed out last year by Dr. C. V. Drysdale before the Royal Colonial Institute, in his masterly survey of 'The British Empire and Birth-rate,' it is India with the highest birth-rate which pulls down the average of increase in population in the whole Empire. In Australasia the average death-rate is 10 per mille of population. As it is, even with a phenomenal birth-rate of 38 59 per mille of registered population, the net addition to population in British India was not more than 6·58 per mille in 1911, and 'only 4·3 per mille per decade over the whole period from 1861 to 1911.' During the last decade the number of towns and villages also dwindled from 730,753 in 1901 to 722,495 in 1911. Sir, I belong to a city which is now in the terrible grip of the most virulent epidemic of plague that we have ever seen, and the people there are dying by the hundreds every day. And can it be that the conditions of life cannot be made healthier and more agreeable at Nagpur by opening out congested areas and adopting other methods of scientific sanitation? And what is true of Nagpur is true, with variations in degree only, of all urban and rural areas in India. Yet, how many Municipalities and District Councils have got the means to undertake a reasonably comprehensive programme of scientific sanitation? With funds forthcoming, what cannot be done to clear jungle, to fill up tanks, to improve the water supply, to provide a proper system of drainage, and to open out congested areas? And schemes of sanitation cannot be wanting. This question of special non-recurring grants for sanitation has been to the fore now for about five years, and it would be a wonder if a fair number of schemes be not ready by this time. The Department of Education, which has the oversight of sanitary matters, will be able to enlighten us on this point; but *primâ facie* it appears unconvincing that within three years we have reached a point in sanitary improvement when we cannot profitably employ in 1915-16 more than a seventh part of our actual expenditure to end of 1913-14, R15,15,000 against R1,06,88,000. No, Hon'ble Members may be sure that an increased non-recurring grant of fifty lakhs of rupees for the support of Education and Sanitation will be usefully spent in the provinces in the coming year, and the fear of any portion of it lapsing at the end of it is groundless It is furthermore necessary, as the foregoing statement of facts will show, that the additional grant should be made. The only relevant question that remains to be discussed in this connection relates to the source from which the money is to be found.

"Sir, an examination of the Budget will show that, out of the total allotment of eight million pounds sterling for capital outlay on Railways, rupees fifty lakhs have been provided for the construction of new lines made up, according to the Hon'ble Financial Secretary's Momorandum, of four items,—R15,00,000 for the Vishnupur-Santragachi Branch of the Bengal-Nagpur Railway, R5,00,000 for the Dholka-Dandhuka Branch of the Bombay, Baroda and Central India Railway, R15,00,000 for the Southern Shan States Railway,

and R15,00,000 for Reserve. The Hon'ble Sir William Meyer has explained his position with regard to these railways, but, with all his able advocacy, he will permit me to say that we remain unconvinced both about the urgency and the expediency of these allotments. It is a debatable point if a programme of new construction must always form a feature of our annual Budget. Either view has powerful advocates, but the one outstanding fact in the controversy is that the profitable nature of railway enterprise in India is doubtful. In good years there is a small margin of profit, but, as pointed out by Sir Guy Fleetwood Wilson two years ago, 'so recently as in 1908-09 our railway system was worked at a net loss to the State.' The policy of the Government of India was also laid down by him on that same occasion 'We must never allow our railways to become again, even temporarily, a net burden on the general taxpayer.' The Hon'ble Sir William Meyer, speaking last year on the Budget, shared his predecessor's poor opinion about the profit-earning capacity of our railways, and observed with his accustomed force and directness: 'Briefly, although the net profits we have derived from railways in recent years are *per se* imposing, they represent but a small margin of profit on the total capital involved, and that margin may be materially affected by trade or climatic circumstances beyond our control.' This year the net profit after meeting interest charges has reached almost the vanishing point (·53 per cent). These circumstances only demonstrate the fact I wish to emphasize that our annual programme of new lines must be reduced to a minimum, especially because every addition to the mileage entails an increasing financial responsibility of Government for renewal and improvement which must be discharged irrespective of the state of its finance. It is true that weighty considerations, economic and political, would justify railway expansion; but the point I wish to impress upon Hon'ble Members is that this expansion must in future proceed upon extremely cautious lines, and should only be financed by Government in a lean year when it is unavoidable. It does not matter much if new construction is financed out of our surpluses, provided no indication of a subsequent deficit is present at the time the allotments are made. But when it comes to the question of finding the funds for it in a year of heavy deficit and of uncertain future like the present, the policy is certainly open to criticism. And when added to this is the fact that the allotment for construction of new lines is made, if not directly at the sacrifice of, but simultaneously with a heavy curtailment of, the programme of Education and Sanitation, which are admittedly 'the primary objects' of British Indian Administration, the impolicy of the capital outlay becomes obvious.

"Sir, last year, *i.e.* in 1913-14, the capital expenditure on railways was over twelve million pounds sterling, and a trifle less than the scale of £12½ millions recommended by the Mackay Committee, and in the current year, a year of great anxiety to Government, when all expenditure has had to be cut down, it exceeds £11½ million pounds sterling. Now, after the two years' heavy outlay, would it be wrong to claim a respite, at least in the matter of the construction of new lines? And what is the special urgency about the three new lines for which the Hon'ble Finance Member is anxious to provide fifty lakhs of rupees next year? The Administration Report on Railways in India for 1913-14 shows that the Vishnupur-Santragachi Railway was not even surveyed in that year. It may be that it is 'primarily intended for the relief of the existing lines between the coal-fields and Calcutta,' but the point that demands examination is, how is its construction so very urgent that it cannot be delayed for one year? There is nothing to show that a year's delay would be injurious to the interests of the country as a whole. The Dholka-Dandhuka Railway, again, was surveyed as far back as 1906-07. The construction could be put off so long, although we have passed through very prosperous years in the interval. Last year provision was made for it, but it could not be taken in hand for unavoidable reasons. Supposing there is a further delay of a year, how will the consequences be serious? That the urgency cannot be great is evident from the fact that only five lakhs of rupees have been allotted for the construction of this line against an estimated expenditure of 23 lakhs. The Southern Shan States Railway, with a length of 105·04 miles, is being constructed in sections. On 31st March, 1914, it had

an open length of 23 miles, and the capital outlay amounted to R1,32,95,785. The remaining portion was sanctioned on 23rd July, 1909. In the current year there was a budget provision of 15 lakhs for further construction. Presumably, the amount has been defrayed in the way intended. Substantial progress has thus been made, but it is not expected that the whole length will be constructed at once And if that is not the case and if the construction be a question of years, it is not clear to my mind how 'the further development of the Southern Shan States will be seriously hampered if this extension is not carried out at once.' Sir, to the lay mind the representation about the urgency of the construction to which the Hon'ble Finance Member has referred, would appear to lack special merit. It should be borne in mind that there was an actual loss in 1913-14 on the open length of 23 miles for which we have statistics, the proportion of expenses to earnings being 118·31. If these lines disappear from our next year's Budget, the reserve of R15 lakhs becomes unnecessary; even with the construction provided for, a 43 per cent reserve must strike one as wholly unnecessary.

"Sir, on the strength of the above analysis of the needs of Educational and Sanitary progress, and in the absence of special urgency about the construction of the three new lines of railway for which provision is made in the Budget, I claim a re-adjustment, and suggest that the allotment for Railways should be reduced by the sum of rupees fifty lakhs set apart for fresh construction, and the amount thus freed should be employed for the support of Education and Sanitation. I take Education and Sanitation together, as with my insufficient knowledge of the schemes under each head which are ready, or are likely to be ready shortly, it is far better that I should plead for a further grant of fifty lakhs for both, leaving it to the Department of Education, with its fuller grasp of details, to apportion the amount between the two."

The Hon'ble Sir Gangadhar Chitnavis :—"Sir, any reasonable proposal, as that made by the Hon'ble Mr. Dadabhoy, for strengthening the resources of Local Governments and for increasing non-recurring Imperial grants for the promotion of Education and Sanitation, in addition to the liberal grants that have been made in recent years by Government, will have the cordial support of Hon'ble Members. It is for this that last year I invited the attention of the Hon'ble Finance Minister to the urgency of a liberal revision of the rules regarding 'lapsed grants' in the case of these and other necessary objects. But apart from the question of 'lapse,' I think the Hon'ble Mover has successfully indicated the way in which the budgetted grants for these important heads of expenditure can be substantially increased without prejudice either to the interests of the general administration or to the special interests of the Railway Department.

"Though I do think that the Budget as it is has been very carefully prepared and that there should be as little interference with it as possible in times like these, the question of the construction of new lines of railway should be examined and decided in view of the necessary recurring expenditure involved. It is not the initial outlay alone that has to be provided, but in addition the annual renewals of each line constructed have to be financed. The financial responsibility of Government is thus of a twofold nature, and this should impose on us extra caution in the matter of extension. And it follows that only unavoidable expenditure should be incurred in this direction, especially when the State is not flush of cash

"I may also point out that the allotments to the Provinces that are now suggested may be utilised by this Government if the necessities of a sudden situation in the course of the war so demand. There will never be any unwillingness on the part of the Provincial Governments to come to the relief of this Government in such a contingency. This year they have responded promptly to the appeal of the Government of India, and there is no reason to suppose that they will not be equally reasonable in future.

"One suggestion more. The additional grants for Education and Sanitation should only be made to Local Governments that have got schemes ready, and are therefore in a position to employ the funds within the year to the best advantage.

"My friend the Hon'ble Mr. Dadabhoy has just alluded to the state of Nagpur at the present time, but I will not be doing my duty if I do not acknowledge the great help that has been given by the Local Government during the last ten years in improving the town, and if plague is at its worst this year, it is a mere accident and not in any way due to lack of help on the part of Government and, for the matter of that, of the Municipality. I must, however, say that there is still room for much sanitary improvement, and any increased grant made for the improvement of the town will be most thankfully received and most usefully spent."

The Hon'ble Mr. Clark:—"I think, Sir, it might be useful to the Council if I were to intervene at this juncture to say a few words about our proposals for expenditure on new railways, an expenditure which the Hon'ble Mr. Dadabhoy appears to regard with disapproval. I will leave the question of general policy to be dealt with by my Hon'ble Colleague the Finance Member, and will merely lay before the Council a statement of the main railway projects which we have in hand. I had hoped that my Hon'ble Colleague the President of the Railway Board, who knows, of course, much more about the details of these projects than I do, could have done this; but unfortunately he is indisposed. However, for the purpose of this debate, probably the general outlines will be sufficient. I can hardly hope perhaps to carry conviction to the Hon'ble Mr. Dadabhoy, who has told us that my Hon'ble friend the Finance Member has already failed to convince him; but it is clearly my duty to try. The Hon'ble Mr. Dadabhoy has told us that if more money is not available for education and sanitation, many schemes will be hung up and much money will be wasted. I do not know how far this is really applicable to education and sanitation, but I am quite sure that it is particularly applicable to railways. It will be most uneconomical to proceed, as the Hon'ble Member said we ought to proceed, by merely taking up new construction when there happened to be large surpluses, possibly spaced out by considerable periods, during which all the work previously done had been lying idle and all the capital employed had been lying idle. If the Hon'ble Member will forgive my saying so, he seems to regard the building of a new line of railway in something of the same way as buying a new hat, as an individual piece of extravagance which can or cannot be committed and which stands by itself. This is not at all the case with railways. A so-called new line is really an extension of or connection between existing lines. It is often required for the development of existing lines and means increased revenue and increased traffic.

"Of the actual construction which we have in hand at present there are six lines, which I may describe as minor projects. On these we propose to spend in all a sum of between 15 to 16 lakhs only. I need not describe these projects in detail, but I should like to point out that if we fail to incur this expenditure during 1915-16, not only shall we incur a very substantial loss of revenue due to failure to open these lines as early as we might, but hereafter when construction is resumed—for if we spend less than is proposed, work will have to be shut down,—we shall have to incur very considerable unnecessary expenditure in making good the damage caused by weather in the intervening period. Excluding the Hardinge Bridge, which has practically ceased to make a call upon our resources, we have in hand four projects, which I may describe as major projects. A word in regard to each of these is perhaps desirable. They are the four projects to which the Hon'ble Member referred. The Southern Shan States Railway has now been practically completed for the 72 miles between Thazi, the junction station, and Aungban, which is perhaps best described as a point on the map, for there is there neither a town nor a village worth considering so far as railway traffic is concerned. The Hon'ble Members from Burma, should they care to intervene in the debate, will be able to inform the Hon'ble proposer of the resolution of the state of feeling in Burma regarding the proposed further extension of this line. I was myself in Burma last year, and it was most strongly pressed on me by the commercial community there. I am not in a position

to say anything definite on the subject of the extension at present, but I am quite sure we should have to meet very strong criticism and opposition from Burma if we were to drop our proposal to reserve funds for this project. Two other large projects—the Burdwan Howrah Chord and the Bombay Harbour Branch extension—though they are new railways, fall within the category of works of open line improvement, since each of them is designed primarily for the relief of congestion on existing lines. Each is both an important and an expensive project on which work is at present in full swing, and we cannot give less than the allotment proposed without involving eventually additional outlay on establishment and so forth, by prolonging the period of construction. The last of these four projects is the Itarsi-Nagpur Railway with a branch to the Pench Valley. This project has already been under construction for over six years, and the section from Nagpur to Amla is not yet half completed. No one, I am sure, knows better than the Hon'ble proposer himself, the strong feeling which exists in favour of this railway being completed in his Province, and I am sure that neither he nor Sir Gangadhar Chitnavis would wish to see this project discontinued. There remains a great deal of work to be done including heavy earth work and tunnelling, and the delay in tackling it has, as the Hon'ble proposer of the motion probably knows better than most of us, been a cause of very great complaint in the Central Provinces. After carefully considering the matter we have come to the conclusion that it is not worth while taking up this work piecemeal, but that the time has come when a special effort should be made to get this important line open for traffic throughout. As I have said, it has already been six years under construction and if we give money in driblets the total period of construction may well extend to ten years with a very large loss of revenue on the outlay already incurred. A full allotment is I hold extremely desirable, in fact almost a necessity, for this particular line.

"We have also proposed to reserve funds for three new projects. The first of these—the Vishnupur-Santragachi Chord—has not yet been sanctioned by the Secretary of State, but it has already been recognised as a most important work on account of the relief it will afford to the Bengal Nagpur Railway Company's main line between Calcutta and the coal-fields. If the commencement of work is postponed until the end of the war the opening of the line for traffic will be considerably delayed. Unless we begin work at once all hope that the Bengal Nagpur Railway will be relieved in this way before the next boom occurs must be abandoned.

"The Hon'ble Members from the Madras Presidency would I am sure strenuously support our action in reserving funds for the construction of the Panruti-Trichinopoly Railway. The delay in the commencement of work on this project has been a chronic cause of complaint for the best part of two decades. We hope, though the matter is still under discussion, to be able to commence work during the forthcoming year, and it would be very short-sighted if we were to fail to take advantage of this opportunity.

"The only other new project is a comparatively small one—the proposed Dholka-Dandhuka Railway. It is in fact but part of a larger project for a railway from Ranpur to Dholka of which the Ranpur-Dandhuka section will be constructed at the expense of the Bhavnagar Durbar. We are under agreement with His Highness and the Bombay, Baroda and Central India Railway Company to undertake the construction of the two sections simultaneously and unless we reserve funds for commencing work upon the British section we shall run the risk of failing to carry out our part.

"In the circumstances which I have explained, I submit to the Council that it would be most inexpedient to fail to proceed with the construction of these new railways. Apart from the particular considerations which I have placed before the Council, we have to look forward to a great revival of trade when the war is over. And there is the question of employment in India. At

the present moment it is very undesirable that we should do anything to lead to greater unemployment than must inevitably be the result of the war. That to my mind is a very strong additional reason for carrying out these works."

The Hon'ble Mr. Ghuznavi :—"Sir, I have great sympathy with the object which it is desired to obtain by the resolution moved by my friend, namely, that more money may be allotted to the Provincial Governments for the development of education and sanitation. While I yield to none in my desire that considerably more money should be spent by the State in furtherance of education and sanitation than is being done at present, while I consider the claims of Education and Sanitation to be most supreme, while I am of opinion that from the point of view of the people of this country nothing is more urgently required than education and sanitation, I am afraid I cannot see eye to eye with my friend in regard to the means which he proposes to be employed for the desired end in this instance. It is true that malaria is increasing in virulence year after year. Certain portions of Bengal which were, comparatively speaking, free from malaria have suffered untold miseries owing to this scourge this year, and although we are nearly coming to the end of the cold weather, malaria has not abated to any appreciable extent in the major portion of East Bengal.

"It is also true that education must be the future watchword of our country. Our greatest public man, who has just passed away, made that his principal cry, and I entirely share his view that primary education must gradually be made free and, if possible, compulsory. It was with intense satisfaction that we in Bengal hailed the gracious announcement made by His Excellency only last Saturday at the Convocation meeting that the Government of India were going to grant ten lakhs of rupees to the Calcutta University. Therefore I should personally welcome any proposition that may help us to obtain more and more money for the cause of Education.

"In this instance, however, my friend proposes that the allotment for Railways in the coming year be reduced by fifty lakhs. Now there is no question that of all our wants, the cause of Sanitation takes precedence, for it is only natural that the requirements of our health must receive our first consideration, and the increasing mortality due to malaria and other diseases due to insanitary conditions and particularly the want of pure drinking water must be checked. Next to this certainly comes the claim of Education of the right sort without the immediate and increasing development of which no hopes for the betterment of this country can be entertained But immediately after this, I am inclined to advocate the cause of Irrigation and Railways. Our country is very badly served as regards railways. In some parts, especially in Bengal, our great waterways are gradually being silted up. Communications in the interior are extremely difficult, and in a great many they do not exist at all. Besides, I am strongly of opinion that railways carry in their wake a kind of Education and Progress. My friend the Hon'ble Finance Minister has already effected a very large curtailment with regard to railway expenditure for the coming year while he has maintained the entire amount, namely, one million one hundred thousand pounds, which would be required for the purpose of irrigation as advised by the Public Works Department, he has cut down railway expenditure by one-third of the total amount. Where originally 12 millions were provided he has cut them down to 8 millions. Therefore, a further reduction seems hardly to be possible and is likely to impede the working of our railways

" I had the extreme pleasure the other day of witnessing the opening ceremony of the Hardinge Bridge on the Lower Ganges at Sara, which is one of the greatest Engineering works in the world. Although this has, during the past years, made a heavy call upon our resources, now that it is completed, it will no doubt give a great impetus to trade and commerce. Expenditure in irrigation and railways is never wasted, for railways and irrigation are always paying concerns. The total interest charges on our public debt amounted to

some 9½ millions in the year 1913-14, while our railways and irrigation works in the same year yielded us a return of 15½ millions. Thus, there was still left some 6 millions of clear revenue from these great undertakings. In spite of this, however, if my Hon'ble friend the Finance Minister had not already proposed to make a sober curtailment of 4 millions in our railway expenditure, I would have been very glad to have supported a motion in favour of a reduction in the allotment for railways. Under the careful and wise guidance of my friend who is unfortunately absent to-day, I mean the Hon'ble Sir Henry Burt, the present head of the Railway Board, I have no doubt that our railways have a great future before them. The cause of Education and Sanitation are certainly paramount, but I am sure there are other means and ways whereby more money can be found for the furtherance of these objects and I shall be glad to offer my humble suggestions on another occasion."

The Hon'ble Maharaja Manindra Chandra Nandi:—"Sir, I beg to support this resolution. I think the Hon'ble Mr. Dadabhoy has made out a good case for reducing the allotment for railways in the coming year by rupees fifty lakhs and allotting that amount to Provincial Governments for the development of Education and Sanitation. Sir, it is true that in view of the strain caused by the war the allotment for railways for the forthcoming year has been reduced from 12 to 8 millions sterling, but the fifty lakhs mentioned in the resolution is intended for the construction of new lines for which there is no urgency and which may well be put off for some time. The Government have always had at heart the promotion of Education and Sanitation and this principle may be well affirmed by the Government accepting the resolution moved by my Hon'ble friend."

The Hon'ble Mr. Marshall Reid:—"Sir, I entirely sympathise with my Hon'ble friend in his desire that education should progress, and I think he will also appreciate our desire that railway and other developments should also progress. I think we must realise that this Budget is essentially a business one, and there is no room for a great deal of sentiment in it; I think probably it is the most businesslike Budget which has ever been presented to this Council. We have all had to realise that the Finance Minister's first duty has been to cut down expenditure in every way. We have our own particular fancies in the way of education, railways and other things, but we have all had to realise that we must accept a great deal less than we asked for and a very great deal less than we could usually expect to get. In reducing the railway grant from 12 millions to 8 millions, I think my Hon'ble friend should realise that the reduction is one-third or 33 per cent. It has been pointed out frequently that 12 millions was some years ago considered to be the minimum on which the railways could work in this country. My own opinion is that we should require now, to go ahead properly and to maintain the railways, something more like 15 or 16 millions. Sir, seeing that we have agreed, and cheerfully agreed, to accept, under present conditions, a sum of 8 millions, which is about half of what we consider is the least we ought to have, I think that those whose particular province is education should be well pleased that they have got almost as large a grant as they have ever got before. In saying that we willingly accept this grant of 8 millions for railways, we realise that it is the very least by which existing railways can be kept up to any state of efficiency; and if railways do not progress, they must go back. It must also be borne in mind that there are a large number of unproductive works in this country now on which enormous sums have been spent. Until they become productive, the country is suffering severe losses, and I know well that the Finance Minister in framing this Budget has borne in mind the urgent necessity of bringing these works to a productive stage. I therefore regret that, though I sympathise entirely with my Hon'ble friend's desire that education should be well supported, I cannot support his proposition."

The Hon'ble Sir William Meyer:—"Sir, this resolution is, strictly speaking, not in order at all at this stage of the discussion, with reference to No. 3(2) of the Rules which regulate our discussion of the Financial Statement, since the resolution does not specifically refer to any additional grant to Local Governments proposed or mentioned in the Financial Statement or in the Secretary's supplementary Memorandum. Since, however, it is the only resolution that has been put forward at this first stage, we have decided not to challenge it; but this must not be taken as a precedent for the future.

"Well, the Hon'ble Mover made it clear that what he desires is to cut out the whole of the 50 lakhs allotted for new lines in the coming year's railway programme and present this amount to the Provinces for further expenditure on education and sanitation.

"Taking first the effect of this proposal on our modest railway programme, I need not add much to the remarks already made by the Hon'ble Commerce Member and by my friend, the Hon'ble Mr. Marshall Reid. I may once more remind the Council that our proposed railway programme of 8 millions means a very drastic curtailment, a curtailment of one-third, from what has been accepted for the last two years as the standard. It is also nearly two million less than the expenditure in 1912-13. A large amount of the railway outlay is spent in India and, as the Hon'ble Mr. Clark has brought out, further restriction of this amount beyond what we have already proposed will reduce the demand for labour which, in the present circumstances, it is desirable to interfere with as little as possible. To make a further curtailment by wiping out the whole of such small provision as we have been able to make for new lines, I regard as absolutely inadmissible. As I pointed out in my Budget speech last year, we must not regard the economic benefits to the community which the Government are able to bestow as confined to education and sanitation, valuable as these are.

"The people are equally benefited, as I then said, by an extension of railway facilities, which expands trade, mitigates the effects of famine or scarcity, and adds to the personal convenience of Indian travellers. I do not in the least undervalue the benefits of education and sanitation, which press so upon the mind of the Hon'ble Mover, but we must try and hold the scales more even than he proposes.

"Then, I would draw attention, as the Hon'ble Mr. Ghuznavi has already done, to what I said in paragraph 98 of my recent speech introducing the Financial Statement now under discussion. As I there brought out, our capital outlay on Railways and Irrigation is in ordinary circumstances of so productive a character that it yields us a very large balance—in 1913-14 it amounted to some six million pounds—to meet ordinary general charges after paying all the expenses connected with our debt. But for this source of income, I would ask the Hon'ble Mover to remember, the Government of India could not have embarked on the large schemes of education and sanitation that have distinguished recent years. I hold that it is a most short-sighted policy to discount future benefits of a similar character by an unnecessary curtailment of beneficient capital outlay. My Hon'ble friend, for a little gain to education and sanitation at present, is proposing to throw away possibilities of much larger gain in the future.

"The Hon'ble Mover also quoted some remarks of mine as to the small percentage of profits on railways. I do not withdraw a word of what I said in those remarks. It is my duty to look at both sides of every case, and I pointed out that althongh our profits are large—millions of pounds—they are small as compared with the capital charges outstanding, which will soon amount to about 368 million pounds. That shows, as I have always said, the necessity for caution,—that is, to be quite sure that works will be productive—or as sure as we can be—before we start upon them. But because, in the abnormal circumstances of the present year, the percentage of profit on railways taken to the whole sum outstanding is only ·53 per cent after meeting interest charges, and because in 1915-16 we estimate it only at ·32 per cent, the

Hon'ble Member treats these as despicable quantities He took these figures from the table in paragraph 77 of my recent Budget speech. I would like to draw his attention to the figures which immediately precede them. He will see that, even on these small percentages, the net profit on railways, after meeting all working and interest charges, is expected to be £1,914,000 in 1914-15, and £1,179,000 in 1915-1916. These despicable figures (as the Hon'ble Mover seems to hold them) come together to over 3 million pounds. Without those 3 million pounds my Hon'ble friend would have had to face the necessity of fresh taxes. It is the railway profit, of which he is scornful, which has stood between the country and increased taxation.

"I now come to the effect of the resolution on education and sanitation outlay. What the Hon'ble Mover desires is to expand the million pounds, by which we propose to allow the Local Governments to exceed their current revenues in 1915-16, by another $\frac{1}{3}$ million pounds. The financial effect of this proposal would be not merely to add to our Imperial revenue deficit, but to diminish our cash balances and to increase *pro tanto* the amount of next year's borrowings on account of the unproductive debt, the productive borrowing being decreased in like proportion. From a financial point of view this is a most unsound proposal. As I indicated in the concluding part of my recent Budget speech, our present wholly satisfactory financial position has been built up by the wise caution of our predecessors, and although the circumstances now existing have justified us, for this year and the next, in having recourse to unproductive borrowing rather than increased taxation, I am not prepared to add to such borrowing more than is necessary. Nor is there any reason for overriding this general proposition in order to buttress expenditure on education and sanitation.

"The Hon'ble Mover spoke as if the financial position in the coming year was such as to involve disastrous stoppage of educational and sanitary projects and what not. I will just give a few figures to rebut that. Taking the total outlay on education and sanitation financed from grants given by the Government of India, including the expenditure connected therewith under the Civil Works head—in 1913-14, the aggregate expenditure amounts to 257 lakhs; in 1914-15 (according to the Revised Estimate) to 280 lakhs; in 1915-16 (according to the Budget) to 224 lakhs, to which we must now add 10 lakhs on account of the grant to hostels recently announced by His Excellency the Viceroy. Well, there is a diminished outlay no doubt in 1915-16 as compared with 1914-15; but it is not nearly as much as the diminished outlay on railways. Moreover, these figures take only the special grants into account. If we look at the total Provincial expenditure on education, what do we find? The Budget provision for 1915-16 is £3,198,000 actually £100,000 more than the Revised Estimate for 1914-15 and a little more, too, than the actuals of 1913-1914—£3,056,000. Under 'Medical' again, we have for 1913-1914 (in round figures) £1,200,000; for 1914-1915 (Revised Estimate) £1,349,000; for 1915-1916 £1,299,000—a little falling off, but not much. To be quite fair I must admit that the large falling off in the Civil Works grants to which I referred in my Budget speech will probably to some extent affect Education and Sanitation buildings. But taking all the figures together, the diminished outlay under these two great heads of expenditure is trifling compared to the reduced provision that has been made under Railways; and with this war upon us and the possibility of its continuing for a long period, we cannot undertake to keep outlay on Education and Sanitation fully up to the specially high standard attained in 1914-1915 and 1913-1914. We do not go back on our previous policy. We must, however, move somewhat more slowly: there must be a little stoppage of the speed here, as under other heads. I cannot therefore accept the resolution before the Council. My Hon'ble friend the Mover must not however be discouraged: when my Hon'ble Colleague, the Member for Commerce and Industry, next lays proposals before me for new railways in the Central Provinces, it will be my duty to bear in mind that the elected Members from those Provinces do not want those railways."

The Hon'ble Mr. Abbott:—"Sir, I beg to oppose any reduction in the construction of railways in India or Burma."

The Hon'ble Mr. Dadabhoy:—"Sir, I wish to express my gratitude to my non-official colleagues for the support they have given to my resolution. As I expected, from official quarters I have not received the same measure of support. Nor did I anticipate it. My Hon'ble friend Mr. Marshall Reid has rightly pointed to the most businesslike Budget presented by the Hon'ble the Finance Minister. Nobody disputes the excellence of the Budget, and I shall have another opportunity in common with the other Hon'ble Members, at the proper time, to pay my tribute of admiration and gratitude for the generally very well-intentioned Budget which has been framed. But the only issue before the Council, and a very important issue it is, is entirely different; and I regret to say that I still remain unconvinced after what I have heard from the Hon'ble the Finance Minister and my friend the Hon'ble Mr. Clark. It is a mistake to suppose that non-official members of this Council do not attach importance to the expansion of the railway programme. That is not the point at all. I have been in this Council for several years; I have made it clear in this Council and outside this Council that the railway programme should be supported; but the point which claims our attention at this particular juncture is the propriety, the wisdom, the expediency of allocating a large sum of money for it in a lean year when a heavy deficit is expected. I share the view which the representative of the Bombay Chamber of Commerce entertains, in common with some other members, as regards the general utility of the Railway programme. But the question is, are we justified, are we entitled to use the tax-payers' money in the further expansion of railway programme in a year of deficit? I say, Sir, that strategic railways, railways that are required for political purposes, are absolutely necessary, and must be constructed at all cost, even when our finances do not permit of it; I go further and say that protective railways, railways that are required for the mitigation of famine and find suitable employment in times of famine, should also be undertaken. But, Sir, protective railways as well as strategic railways and railways that are required for political purposes stand on an entirely different footing from railways that are required for the promotion of trade and commerce. The Hon'ble the Finance Minister has spoken about the profits of our railways, and has pointed out that, but for these profits on railways, the necessity for additional taxation would have been self-evident. But when one applies his attention to the enormous capital that has been laid out in building railway lines in India, the profits after paying interest are absolutely small and do not appeal to our consideration. I submit I should not be misunderstood. I have not run down railways; I am a cautious supporter of railways, and all that I have stated is that the Government have not made out a case for spending this year 50 lakhs of rupees on the construction of new railways Sir William Meyer says that we have reduced our expenditure from 12 crores to 8 crores,—a very drastic curtailment. I note further that the bulk of these 8 crores will be spent on renewals and repairs, and a very small percentage of it will be spent in the construction of new railways. But all this is inconclusive. Reference was made to the Nagpur-Itarsi railway. In my speech I did not at all allude to the expenditure under that head being dropped for the reason that that scheme had been shelved for a period of three years after the construction had been started It is, therefore, not surprising that it should find a place in the next year's railway programme. But I must submit that there has been no explanation about the other railways forthcoming. I was very anxiously expecting an explanation of some sort as regards the urgency of these three new lines, which are now contemplated to be constructed, and neither the Finance Minister nor Mr. Clark has thrown any light on the absolute necessity of spending money this year on those lines. It has not been at all pointed out that the postponement of this programme for a year would cause any serious inconvenience either to the State or to the country. Sir William Meyer, with his characteristic force, has also stated that he will bear in mind when a

suitable opportunity comes, about the construction of railways in the Central Provinces, and that he would then remind me of my utterances to-day. I am prepared. I may say that I am not a man likely to be discouraged by that. These discussions have their moral effect, and I have no doubt that, though the Hon'ble the Finance Minister has not accepted my resolution to-day, it will have a great deal of effect in the future, and I feel confident that in the succeeding year's budget we shall have a larger sum under the heads of Sanitation and Education. Sir, I know the ultimate fate of my resolution. It is not likely to be passed, but I feel the moral importance of it; and though I do not press for a division, I still request you, Sir, to put it to the vote."

The resolution was put and rejected.

The Council adjourned to Tuesday, the 9th March, 1915.

W H. VINCENT,

Secretary to the Government of India,
Legislative Department.

DELHI;
The 12th March, 1915.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 to 1909 (24 & 25 Vict., c. 67, 55 & 56 Vict., c. 14, AND 9 Edw. VII, c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Tuesday, the 9th March, 1915.

PRESENT:

The Hon'ble SIR HARCOURT BUTLER, K.C.S.I., C.I.E., Vice-President, *presiding*, and 50 Members, of whom 43 were Additional Members.

FINANCIAL STATEMENT.

SECOND STAGE.

The Hon'ble Sir Robert Carlyle opened the second stage of the discussion on, and introduced the following heads of, the Financial Statement for 1915-16:—

Revenue.	*Expenditure.*
Land Revenue.	Land Revenue.
Provincial Rates.	Provincial Rates.
Forest.	Forests.
Scientific and other Minor Departments.	Scientific and other Minor Departments.
Irrigation.	Famine Relief.
Civil Works.	Protective Works, Irrigation.
	Irrigation.
	Civil Works.
	Capital outlay on Irrigation.

He said:—"I rise to introduce the heads of the Financial Statement of 1915-16 standing against my name.

"I have nothing to add to what has been said in the memorandum regarding the Land Revenue and Provincial Rates heads.

"Our Forest revenue has suffered from the War and on the expenditure side also the amounts provided have in several provinces had to be curtailed on this account. But the aggregate grant, though lower than this year's budget figure, is higher than in any previous year, while the surplus, if less than a million sterling which was reached in 1912-13 and 1913-14, is expected to exceed that of the current year and is taken at the substantial figure of 124 lakhs.

"But although purely from the revenue point of view, our Forest property is of great and increasing value and although, with the development of Forest industries and the exploitation of our reserves, we may look forward with confidence to an increased income; the commercial is not the only object in view. We have also to conserve and improve the forests.

"I do not propose on this occasion to describe what is being done both on the commercial and on the sylvicultural side, as we hope this year to publish a quinquennial review of our forest administration and in this the policy which we are following will be fully set out.

"Hon'ble Members may have noticed a new feature in the form of the budget. Agriculture, I am glad to say, is no longer treated as a minor department but has been given the dignity of major heads of its own and these heads include receipts and expenditure under agriculture, veterinary and co-operation. In this way it will be possible to tell without difficulty what is being spent on the improvement of agriculture and allied objects. Next year's grant of 91 lakhs will be nearly half as much again as the expenditure four years ago and it is gratifying that at a time like the present many of the Provinces have found it possible to increase their expenditure under this head. Both at the Imperial Research Institute at Pusa and in the various Provincial Departments of Agriculture, the work of improving Indian agriculture is being steadily carried out on scientific lines—a work which has already borne fruit. Here, too, I do not propose to describe what is being done as we are preparing and will shortly publish an historical account of the work of the Agricultural Department in India.

"On the veterinary side also admirable work is being done and I cannot allow this opportunity to pass without referring to the sudden death of Colonel Holmes, the Imperial Bacteriologist. To his brilliant research work and his capable administration of the Imperial Laboratory at Muktesar we owe a great advancement in the treatment of cattle diseases in India and by his death the Department has sustained a serious loss.

"Under the other heads which concern the Revenue Department I have nothing to add to the remarks contained in the memorandum.

"Turning to the working of the Department of Public Works, our splendid productive system, after meeting all charges for maintenance and repairs, and for interest, has returned a net profit amounting to 292 lakhs of rupees during 1914-15 exceeding the forecast by 21 lakhs. We anticipate for 1915-16 a net profit of about the same amount as realized in the current year.

"The total provision in the revised and budget estimates respectively for new major works, both productive and protective, is 260·4 lakhs for the current year, and 239·1 lakhs for 1915-16. The latter will be the third year in succession in which there has been a diminution of capital outlay on major works as a whole. The reason is the same I gave last year, namely, that while the great triple canal project in the Punjab is rapidly approaching completion and therefore absorbing a considerably smaller amount of funds than formerly, no new project of anything approaching the same importance has yet been sanctioned to take its place in the construction programme. A number of projects of the

first magnitude have been, or are at present in course of investigation; but for one reason or another they cannot yet be advanced for sanction. As the Council is aware, the Secretary of State decided last year to withhold sanction to the great Sukkur Barrage and Rohri project as designed. In the United Provinces another large project—the Sarda-Ganges-Jumna Feeder—has been delayed in consequence of the decision of the Local Government to revise it. The Cauvery Reservoir project in Madras is necessarily held up pending the final orders of the Government of India on the award of the arbitrator who was appointed to pronounce upon the dispute between the Governments of Madras and Mysore respecting the division of the waters of the Cauvery river. The orders of the Government of India have been held over pending receipt of a representation which the Madras Government propose to make in the matter. The Kistna dam scheme in Madras, and the Sutlej scheme in the Punjab are under investigation. During the current year a scheme for the construction of a large protective work in the Bombay Presidency, known as the Gokak Canal extension project, was submitted to the Secretary of State, whose orders are awaited. The estimate for this work amounts to 197 lakhs.

"The outlay on protective works has increased of recent years. The amount spent in 1912-13 was 63·98 lakhs and rose to 86·27 lakhs the year following. This includes about 11 lakhs from the general reserves of Government over and above Rs. 75 lakhs chargeable to the Famine Insurance grant. The revised estimate of the current year places the outlay at 85·24 lakhs and we are budgeting for 75 lakhs for next year as we cannot in a year seriously affected by war ask for any grant from loan funds beyond what is chargeable to Famine Relief Insurance.

"It may be of interest to compare the expenditure that has been incurred on capital works since the Irrigation Commission's Report was published with the programme of outlay recommended by that body. If a reference be made to paragraphs 123 and 139 of Volume I of the Report in question it will be seen that the Commission advocated the expenditure on productive and protective works of 44 crores in a cycle of 20 years, or an average of 220 lakhs per annum. During the ten years that have since elapsed, that is to say, in the period 1905-06 to 1914-15, we have spent 1625 and 633 lakhs, respectively, on productive and protective works; or 2258 lakhs in all. This gives an average annual expenditure of nearly 226 lakhs or about 6 lakhs beyond the rate of expenditure contemplated in the Report of the Commission. The expenditure during the last six years is still more largely in excess of the average annual expenditure recommended by the Commission.

"As regards Civil Works, I have nothing to add to what is stated in the Financial Statement regarding capital expenditure on the New Capital. So far as expenditure from Revenue is concerned, the total grant provided next year is 100 lakhs, that is, 19·50 lakhs less than the Budget grant for 1914-15. This reduction has been found necessary owing to the curtailment, generally, of ordinary administrative expenditure consequent on the war. The grant of 100 lakhs includes, (*a*) a reserve provision of 1·28 lakhs for Archæological works, inclusive of ·25 lakhs to be allotted to meet lapses from the grant of 1914-15; (*b*) 11·30 lakhs for the Delhi Province, ordinary; and (*c*) Rs. 3·18 lakhs payments in England on account of stores, furlough allowances, etc.

"Of the provision made in 1915-16, Rs. 36·46 lakhs represents the amount it is proposed to spend on Major Original Works, excluding Rs. 3·28 lakhs provided for Delhi Province, to meet the requirements of the Customs, Currency, the Post Office and Telegraph and other Departments. I would again draw attention to the fact that the Public Works Department is practically in the position of an Agent for other Departments, and that the provision made depends on the demands put forward by them. The provision for repairs, excluding Delhi Province, has been slightly reduced to Rs. 20·96 lakhs on account of the reduction made in the total grant."

RESOLUTION *RE* INCREASED GRANT FOR IRRIGATION.

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, I beg to move that—

'This Council recommend that the Budget allotment for productive irrigation works be increased by 15 lakhs of rupees.'

"It is hardly necessary—or rather, it should hardly be necessary, for me to draw the attention of the Council to the importance of irrigation works. The Government have acknowledged it and they have followed a systematic policy of developing irrigation, which has led to the most beneficial results for which the country is grateful to the Government. But, Sir, there has been a feeling for a long time that the amount that should be spent on irrigation is not being spent, and more than once the attention of the Government has been drawn in this very Council during the last few years to the need for spending more on irrigation. The position at present is this. The last Irrigation Commission recommended that practically the whole amount of the Famine Insurance grant should be devoted to irrigation *minus* such sum as may be needed for the actual relief of famine when it should occur; but we find that even that figure has not been kept up to. The statement before the Council shows that in 1913-14 the amount spent was Rs. 1,92,33,927. In the budget for last year Rs 1,80,00,000 was provided; the revised estimates show that Rs. 1,74,96,000 was spent; and in the budget for the coming year only Rs. 1,65,00,000 is provided; that is, that while even last year the budget provided for £1,200,000, or Rs. 1,80,00,000, this year it has been reduced by a further £100,000 or 15 lakhs of rupees. In view of the repeated demands that have been made for an increase in the grant for irrigation, this seems to me to be very unsatisfactory.

"Now, Sir, if it were that irrigation did not bring in sufficient receipts one could understand the unwillingness of Government to spend more on irrigation; but a glance at the figures given in this very statement would show that this is not so. By comparing the receipts from irrigation with those from railways, we get some very instructive figures. Railways for instance in 1911-12 brought in a net profit of 1·14. In the same year irrigation gave us 4·70. In 1912-13, the net profit from railways was 1·41. In the same year irrigation gave us 5·40. In 1913-14 railways returned 1·36, irrigation 5·87. In 1914-15, as the Hon'ble the Finance Member has explained, according to the revised estimates, railways will bring us only ·53, whereas irrigation gives us 5·44. In the budget before us the net profit from railways is shown as ·32 : in the same year irrigation is shown as likely to yield 5·30.

"It seems, then, that as irrigation is ever so much more profitable and as it is so much more beneficial in many other respects, the Government ought to explain to the Council and to the country why it is that it is not able to provide for the amount recommended even by the Famine Commission; and if there are any temporary causes which stand in the way, it ought to take steps to remove those causes, so that at the very least the carrying out of irrigation works to the extent of the Famine Insurance grant should be provided for in every year's budget. In March, 1912, my friend the Hon'ble Mr. Mudholkar urged that the allotment for protective irrigation works should be increased by 50 lakhs. In the course of that debate the Hon'ble Sir Robert Carlyle said: 'I would ask the Council to accept my assurance that while the Government must oppose the resolution, they fully appreciate the importance of the matter, and so long as I fill my present post, I will not relax my efforts to develop irrigation whether protective or productive.'

"The diminishing figures provided every year for irrigation would lead one to think that if there has been no relaxation of effort on the part of the Hon'ble Member, there has not been that keenness which we desire to see to provide for that amount which should be provided for irrigation. I therefore commend this resolution to the consideration of the Government, and I hope that they

will be able to add at least £100,000, which has been cut down from last year's Budget, to the allotment for irrigation."

The Hon'ble Sir Robert Carlyle :—"Sir, I must begin by explaining that my Hon'ble friend is under a misapprehension as to the recommendations of the Irrigation Commission. The recommendation was not that 220 lakhs should be spent on productive works alone, but on irrigation works of all kinds, and we fully acted up to their recommendations under this head, as I have already mentioned."

The Hon'ble Pandit Madan Mohan Malaviya :—"May I inquire, Sir, where this is shown in the statement?"

C P **The Hon'ble Sir Robert Carlyle :**—"It is shown under various heads, not all under one head. I will show them to the Hon'ble Member after the debate."

The Hon'ble Pandit Madan Mohan Malaviya :—"I would suggest that—"

The Hon'ble the Vice-President :—"Order! Order!"

The Hon'ble Pandit Madan Mohan Malaviya :—"May I explain—"

The Hon'ble the Vice-President :—"There is no question of explanation; the Hon'ble Member has said that he would explain it later; the matter is therefore disposed of. The Hon'ble Member can reply."

The Hon'ble Pandit Madan Mohan Malaviya :—"I was going to make a suggestion, if I may with your permission, Sir, that it would save the time of the Council if the allotments for irrigation were all shown in one place; it might then not have been necessary for me to bring up the resolution."

The Hon'ble Sir Robert Carlyle :—"I will consider that suggestion with regard to the next year's budget and will lay on the table at another meeting a statement showing the year's figures. While I welcome the resolution now before us as an indication of the interest taken by the Council in a matter of vital importance to the welfare of India, I cannot accept the additional sum it is proposed to grant as we have already provided in the Budget for the full amount we believe we can spend. We have met the demand of all Local Governments in full; in fact in some cases we have allotted somewhat more than we were asked for. Over and above this we have kept an unallotted sum of 10 lakhs on our hands as a reserve. The only effect of increasing the grant would be a lapse at the end of the year. There are very great difficulties in preparing large irrigation schemes. It is very disappointing, for example, that we are unable to commence work on the Sind scheme which took so many years to prepare. Some of our most distinguished irrigation engineers took part in the preparation and examination of the scheme, and the fact that it has failed to pass the scrutiny of the Secretary of State shows how difficult it is to prepare a completely satisfactory scheme when some of the conditions are unfavourable. I have already to-day, when introducing the budget heads with which my department is concerned, mentioned the unavoidable delays that have occurred in the case of other important projects. While I regret that in 1915-16 we cannot spend more on productive works, I foresee much larger expenditure in future, when the great works still under consideration have been put in hand. Independently of these large projects, other measures, involving heavy expenditure, are very likely to materialise in the near future. Experiments are going on regarding the water-proofing of channels, which, if successful, will lead to a considerable economy of water and enable us to extend largely the scope of our irrigation works. I can assure the Hon'ble Pandit Madan Mohan Malaviya that I have done all in my power to spend the largest sum possible on productive irrigation works. In these circumstances the Hon'ble Member may see fit to withdraw the resolution, as we could not spend the money if it were given to us."

The Hon'ble Pandit Madan Mohan Malaviya :—" While I thank the Hon'ble Member for the explanation that he has given and the assurance that all that could be spent is being spent, I think, Sir, it is still my duty to request the Government to see if more money cannot be spent than is being spent on irrigation. We find that so far as railways are concerned, there is no lack of demand for increasing expenditure on railways ; any amount of money that can be secured is, as a rule, utilized during the year. I think, Sir, that if the Department will devote closer attention to finding out whether more money could be spent on irrigation, probably the Hon'ble Member would be able to ask the Council for a larger grant than he has done to-day. I do not think it necessary to press the resolution to a division, but I hope the matter will be borne in mind when the next Budget is prepared."

The resolution was put and rejected.

FINANCIAL STATEMENT.

SECOND STAGE.

The Hon'ble Mr. Porter :—" Sir, I beg to introduce the following head of the Financial Statement :—

'Medical (Sanitation).'

" As regards Sanitation there is nothing to add to the information contained in paragraphs 105, 106, 109 and 224 of the Statement of the Hon'ble the Finance Member. No fresh grants for Sanitation are being made. The grant of 5 lakhs per annum to the Indian Research Fund continues, and during the year a sum of Rs. 4,42,000 has been expended by the Governing Body on the various inquiries in progress, and on anti-malarial projects."

The Hon'ble Mr. Sharp :—" Sir, I beg to introduce the head 'Education.' It is usual on these occasions to lay on the table statements shewing the distribution of grants during the forthcoming year, principal developments in the past year and figures of progress. This year no statement of new grants is possible because there are no new grants to distribute. It is at least satisfactory that, in a period of stress and strain, so far from any curtailment of our educational expenditure, the total budget estimate for all India in 1915-16 exceeds the revised estimate of 1914-15 by 15 lakhs of rupees. As for progress, it has been thought that the time has come when the general interest evinced in education both by members of the Council and by the public, will best be met by the publication of a short annual report. It is hoped to lay such a report on the table before the session closes. If this cannot be done, it will at least be ready next month.

" It is here necessary only to add that during the past two years the effect of our grants has been visible in statistics. Between March, 1912, and March, 1914, the number of those at school has advanced by 737,426 and expenditure has risen by about 216⅓ lakhs. The details of improvement will be found in the forthcoming report."

The Hon'ble Mr. Clark introduced the following heads of the Financial Statement for 1915-1916 :—

Revenue.	*Expenditure.*
Salt.	Salt.
Excise.	Excise.
Post Office.	Customs.
Telegraphs.	Post Office.
Stationery and Printing.	Telegraphs.
State Railways.	Stationery and Printing.
Subsidised Companies.	Protective Works, Railways.
	Subsidised Companies.
	Miscellaneous Railway Expenditure.
	Capital outlay on State Railways.

He said :—" Sir, I have to introduce the heads of Excise, Customs, the Post Office and Telegraphs, Stationery and Printing, and Railways. The

only subjects which require any remarks from me, over and above what appears in the memorandum explaining the details of the estimates, are Customs, the Post Office and Telegraphs and Railways.

"As regards the first of these, my Hon'ble Colleague the Finance Member has already explained the effects of the war upon our customs revenue and the various causes underlying the serious diminution of receipts under this head. At the present moment the specially prominent factor is the lack of shipping and the consequent high level of freights. Government have endeavoured to remedy this by the utilization of enemy vessels to carry private cargoes, and I think I am right in claiming that India was the first country in the Empire to employ detained vessels in this manner. While there has been this decline in business at the ports and a decline therefore in the normal work of the Customs Department, new duties have fallen upon the officers of the Department of a specially onerous and responsible kind. As soon as hostilities broke out, a strict watch had to be maintained over enemy vessels and over their cargoes which happened to be in port. The Department has now been relieved of this responsibility, but a great deal of other novel work has been thrown upon it through the necessity for the supervision of exports, in order to prevent supplies reaching the enemy not merely directly but also through neutral countries. Various prohibitions and restrictions of trade have had to be imposed in this connection and also to ensure the retention in this country of military and medical stores of which abnormal supplies are required in time of war. It has also been necessary to prohibit or restrict the export of certain commodities, especially wheat and wheat flour, which are necessary for local consumption and which might be tempted abroad by the high prices offered elsewhere. The duty of seeing that effect is duly given to the various notifications concerned falls upon the officers of the Customs Department, and I am very glad of this opportunity of paying a tribute to the efficient manner in which this work has been carried out. I can speak with personal knowledge of the admirable way in which control has been maintained at the ports, while at the same time the fullest possible consideration has been shown to the mercantile public, who, on their side, have accepted the various restrictions in a very willing and patriotic spirit.

"As regards the Post Office and Telegraphs, the scheme of amalgamation, the most important administrative measure ever undertaken in the Post Office, or Telegraph Department, has now been fully introduced. Thanks to the able administration of my Hon'ble friend Mr. Maxwell, and to the thorough and tactful manner in which he has dealt with the question, this great change has been effected without any dislocation of departmental business or inconvenience to the public, and the new system is now in satisfactory operation. As a natural result of the amalgamation, the Budget Revenue heads 'XIII—Post Office' and 'XIV—Telegraph' have been replaced by the head 'XIII—Posts and Telegraphs,' and the Expenditure heads '15—Post Office' and '16—Telegraph' by the head '15 Posts and Telegraphs'. The total revenue for the year 1913-14 was £3,432,600. According to the Revised Estimate the amount for the current year will be £3,436,400, and for the coming year we cannot expect to realise more than £3,464,300. This is exclusive of the rebate of £69,000 which is to be allowed to India in respect of the payments due under the P. & O. contract. The very small increases represented by these figures are attributable entirely to the general depression caused by the war. The total expenditure for the year 1913-14 was £3,142,000 and the Revised Estimate for 1914-15 is £3,209,700. For next year we have budgetted for a sum of £3,276,300. For the year 1913-14 the Revenue exceeded the expenditure by £290,600, and if our predictions are fulfilled the corresponding amounts for 1914-15 and 1915-16 will be £226,700 and £257,000 respectively. In the matter of Capital outlay on the telegraph service the Budget Estimate for 1915-16 is £179,000, exclusive of the share of establishment charges, as compared with a Revised Estimate of £174,600 for the current year and a sum of £174,200 actually spent during 1913-14. The revenue of the Department is a matter that we cannot control, but every effort has been, and will continue to be, made to keep the

working charges as low as possible. No increase of expenditure that is not urgently necessary in order to maintain the services at an efficient standard will be incurred.

"The war has imposed a great deal of extra work on the Post Office and the Telegraph Department in regard to censorship, the provision of staff to accompany the forces, and the sorting of mails for the various expeditions. These additional duties have been performed in a thoroughly efficient manner.

"On the engineering side, considerable progress has been made during the current year in extending the wireless system throughout India, the stations at Madras, Rangoon, Secunderabad and Diamond Island being completed. By the opening of the two first named installations, a ship in practically any part of the Bay of Bengal is in wireless communication with India. I should also like to draw attention to the enterprise of the Department in introducing automatic telephones into India. These were brought into use in Simla in the beginning of the year and have worked with complete success. In view of this it is under consideration to extend this system to other parts of India when prices are favourable. Another most successful engineering undertaking has been the erection of the Simla-Delhi trunk telephone connection, which has been of the greatest service to the Government of India and especially to those Departments upon whom abnormally heavy work has been imposed by the war.

"Turning now to Railways, my Hon'ble Friend, the President of the Railway Board, would in ordinary circumstances have shared with me the task of rendering some account of our administration during the year. I regret to say that he is prevented by illness from attending Council, and I must therefore deal myself with the subject on which it was proposed that he should address Council to-day, namely, the question of railway working expenditure charged to revenue during the current and the coming official year. I may say that in so doing I shall follow very closely the lines on which Sir Henry Burt had proposed to speak. But I will first mention a few other matters which I hope will be of interest to Council.

"During the first few months of the war the railways of India were subjected to a very severe test in being called upon at extremely short notice to concentrate at the ports of Bombay and Karachi troops of all arms with their full equipment and supplies, for the despatch overseas of by far the largest expeditionary force that has ever left this country. That the task thus entrusted to the Railways was carried through without a single hitch and to the entire satisfaction of Government, testifies to their preparedness for an emergency and to the resources at their command. Material assistance in respect of warlike operations was also rendered by individual Railways in certain other directions; notably in making available and facilitating the transport of coal for the purposes of the Royal Indian Marine, who required large quantities of fuel at short notice. Help, too, was afforded by some lines which lent the services of part of their workshop and other staff for special work in the dockyards. Normally a considerable number of Royal Engineers Officers is employed on railway work—mainly in the Engineering, Traffic and Government Inspectors Branches. Forty-five of these have been set free for military duty and in addition to these some thirty civilian officers have also joined the army. The railways, I think, may fairly claim that they have borne their part in this great crisis.

"To turn to finance, I suppose there is no country in the world, whether among the belligerents or the neutrals, in which railway expansion has received less of a set-back than in India. No attempt has been necessary to curtail the programme which we set about carrying out in the year 1914-15. In the year 1915-16 there will be a capital outlay of 8 millions sterling which, though it may compare unfavourably with outlay in the current year, is approximately the amount of capital expenditure annually incurred some 4 or 5 years ago. In certain ways the present falling-off of traffic is not altogether a disadvantage. The increase of the capacity of our railways was a matter of such urgency in recent years that speed as well as economy had to be considered when taking steps to secure it. The best possible way to

obtain relief is the provision of those open line facilities—additional tracks yards and so forth—which will make not only for expedition but for economy in future working for more efficient utilisation of rolling stock and for the elimination of unnecessary expenditure when trains are delayed upon their journey. The construction of such additional facilities takes time, however—in many cases a very long time—while the provision of additional rolling stock is an obvious and rapid method of removing the immediate pressure, and for this reason it has been resorted to very freely during the last few years. In the forthcoming year we propose to continue progress on all the open-line works of improvement which have already been taken in hand in addition to beginning a certain number of new ones, while still making a moderate provision for additional stock. There will remain over a million sterling for expenditure on lines under construction and for new lines not yet begun. This enables adequate provision to be made for all the projects which we have at present in hand, while retaining a reserve to be devoted to certain projects which we have under discussion, should it prove—as I hope that it may—possible to begin work on some of them during 1915-16

"In connection with the allotment of funds for lines in progress, there is one point which I should especially mention. Now that the Hardinge Bridge, which was opened by His Excellency a few days ago, has been completed, we are left with only one really large project in hand, that is the Itarsi-Nagpur Railway. The northern section from Itarsi to the Pench Valley Coal Field has been completed, but the southern section from Nagpur to Amla is still less than half way towards completion. It is now over 6 years since this large project was begun but the rate of progress has been retarded by the necessity for dealing first with the still more urgent demands on our open lines. This year we propose to devote a sum of no less than 50 lakhs of rupees to the Itarsi-Nagpur Railway. This will not be enough to provide for the completion of the line and the provision of the necessary rolling stock. At the same time it will go a very long way towards making the whole of the project ready for opening to public traffic, and in future years this long and expensive line will cease to be such a heavy drain upon our available resources. This is a matter for sincere congratulation.

"While it is satisfactory that we have been able to arrange for the financing of a very considerable programme from Imperial funds, it is no less satisfactory to find that the war has not put an end to the financing of new lines of railway through the agency of private enterprise. The Hon'ble the Finance Member has informed you of the progress which has been made in this direction during the year. I think that we must all agree that it speaks well for the confidence which the Indian public place in investments in branch railways. Not only has a new company been floated since the declaration of the war, but, in addition to this, further capital has been raised by companies already in existence. We have at present applications for the immediate flotation of several new branch line companies, one of them a very important venture, and I believe that it will be found that any set-back which may have been caused by the war is only temporary and that a progressive increase will occur in the amount annually forthcoming for the construction of new railways outside our ordinary programme.

"The question also of district board railways has in Madras attracted great attention and indeed in one case—in that of the Dindigal-Pollachi-Palghat line—has given rise to an acute controversy. I take this opportunity of saying that on the general question of policy there is no difference of opinion. We recognise the prior claim of District Boards, to which the Hon'ble Sir Harold Stuart recently gave expression in the Madras Council, and we trust that not only in Madras but in other parts of the country District Boards will take a large and increasing share in the work of railway development. At the same time District Boards—like all other bodies in whom financial responsibility is vested—must cut their coats according to their cloth, and we in the Government of India must depend upon the Local Government concerned for an opinion whether in any particular case the assets and potential

resources of the District Board, or District Boards interested, are sufficient to justify their undertaking the construction of any particular line.

"The difficulties which have hitherto stood in the way of railway extension in Assam are now, I am glad to say, in a fair way to be overcome. The special conditions of the province have been recognised and a Resolution was lately issued informing the public that the Government of India would in future be prepared to consider the grant of a special subsidy from the Assam Administration, which would for a fixed term of years increase the $3\frac{1}{2}$ per cent guarantee offered under the ordinary branch line terms to $4\frac{1}{2}$ per cent. There is every indication that the liberality of these terms has been appreciated and that within the next few years we shall have a rapid development of railway communication in the province of Assam. Apart from the great benefit which must necessarily result to the country as a whole, this is of special importance in view of the hitherto unremunerative nature of the Assam-Bengal Railway. This line was most expensive to construct and is most expensive to maintain. In a mountainous country, subject to torrential rainfall, this high expenditure on maintenance must necessarily continue, and our only hope of increasing the net earnings so as to show an adequate return upon the capital outlay lies in the direction of increasing the volume of traffic. This increase of traffic can only be brought about by the opening of areas to cultivation, while at the same time bringing them into direct communication with the Assam-Bengal Railway.

"In the various points on which I have touched, I think we find considerable grounds for encouragement. Especially is there cause for satisfaction in the growing interest shown by the public in railway matters, a feature which must be welcomed by all who are responsible for the administration of our railways and interested in the development of the country in which our railways play so great a part.

"I come now to the subject with which it had been proposed that my Hon'ble Friend the President of the Railway Board should deal, namely, the subject of what we have done and propose to do in regulating our railway business so as to conform with the exceptional conditions which have affected it, and which may be expected to continue to affect it during the forthcoming financial year. I shall take first the current year. As Hon'ble Members are aware, we budgetted this time last year for gross receipts amounting to 56·60 crores of rupees, that is for an improvement of nearly Rs. 30 lakhs over the gross earnings for the year 1913-14, our previous best. We have had to prepare a revised estimate for a decrease in gross earnings of nearly 3 crores of rupees as compared with the total reached in 1913-14. Hon'ble Members will, I think, recognise that in the abnormal circumstances of the year, this serious falling off of earnings, though to be lamented, is not a matter over which the administrations could exercise any effective control. They will desire to be informed rather of the extent to which it has been or will be possible to adopt measures to restrict expenditure on revenue account so that the fall of earnings may be counterbalanced by special economy.

"While we are now compelled to estimate for this very large reduction of earnings in the present year, there was until the beginning of August every indication that our budget anticipations would be fully realised and that record earnings would be secured in the present year. With that prospect in view, railway administrations adopted the policy, which is a perfectly sound one, of pushing forward the repairs of engines and rolling stock during the earlier months of the year, a period during which they were justified on the results of previous experience in supposing that traffic would be lighter than that which might be expected later in the year. Expenditure was therefore freely incurred on renewals and repairs generally so that railways might be in the strongest position to handle the anticipated rush. In a word they concentrated their expenditure into a period when it could be incurred with least detriment to the interests of themselves and of their constituents. Railways, moreover, stood committed to expenditure on new permanent way with a view to the carrying out of the programme of track renewal which had been arranged for. Orders for such

permanent way have, of course, to be placed in the early part of the year, if not before then, although the actual relaying is ordinarily carried out in the cold weather months.

"When the war came, its full effect upon our railway business was to some extent obscured during the first few months by the large volume of military traffic which railways were called upon to handle. Such traffic is not a source of any considerable profit, while adding comparatively little to receipts, it operated to maintain expenditure at a high figure, not only on account of the actual train mileage run, but also on account of the fact that it was impossible to effect any reduction of establishment at a time when it was impossible to say what urgent military traffic it might be necessary to handle. The causes to which I have so far referred as having operated against the possibility of reducing expenditure are special in the sense that they are dependent on the particular conditions which obtained both prior to, and for some months after, the outbreak of war. But apart from these special causes, whenever there is a sudden large decrease of railway business, it is impossible, as my Hon'ble Colleague the Finance Member pointed out in his recent speech on the Financial Statement, to effect anything approaching a proportional decrease in working expenses. This is a point upon which I desire to lay particular stress, as it is of importance not only in connection with our railway expenditure during the current year, but also during next year. Our railways have been equipped to carry a certain volume of traffic, and our scale of permanent staff and our other arrangements have been framed with a view to carrying that volume of traffic also. If it could be foreseen that for a period of several years a less volume of traffic would have to be handled, we could possibly effect a reduction of working expenses in proportion to the anticipated reduction of earnings. But such is not the present case. The expert advisers of Government on railway matters are confident that a great revival of our railway business will occur immediately upon the restoration of peace, that is after an indefinite period of slack traffic.

"I do not say that on our railways reductions cannot be effected. Some trains may be cut off and some reduction made in the operating staff, where local circumstances permit this, but it is clearly impossible to shut down any of our railways or to permit the maintenance of our way, works and rolling stock to be neglected. Even the alteration and reduction of train services, though it may appear justifiable on the returns of earnings, must be kept within the limits dictated by the convenience of passengers and trade.

"Since the exceptionally heavy military traffic ceased, railways have devoted the greatest attention to effecting economies in operating expenses. They have, where possible, reduced the train mileage and they have also reduced overtime in railway workshops and in certain cases the workshop staff. It would be idle to suggest that these economies have been brought about without causing inconvenience and in some cases hardship to individuals, but at a time such as this it was clearly incumbent on the Railway Board to see that every possible effort was made to reduce expenditure on the working of our railways, and I am glad to say that in this matter the Board have received the loyal co-operation of Railway Administrations, and of the Directors of Railway Companies.

"For the reasons which I have already explained we have only been able to show a reduction of R11 lakhs on the budget figures for expenditure during the current year. Turning to next year you will have observed that, while our gross receipts are estimated at 53 crores on the basis explained to Council by the Hon'ble the Finance Member, a reduction of 45 lakhs on our latest estimates of receipts for the current year, our estimated expenditure exceeds that for 1914-15 by 24 lakhs. I should like to explain to Hon'ble Members the reason why this increase of expenditure is proposed.

"In dealing with railway working expenses it has been found convenient to classify all expenses under two heads, the first ordinary working expenses, the second special expenditure. Under ordinary working expenses is included all expenditure on the operation of trains, the cost of ordinary maintenance,

repairs and renewals, the salaries of the permanent staff and many miscellaneous items of expense. Under special expenditure is included provision for the revenue portion of all these open line works of improvement upon which capital outlay has been, and is still being, incurred, also the cost of what I may call the heavy renewals, that is the renewals of engines of rolling stock and of the track.

"Notwithstanding what I have said about the difficulty of reducing working expenditure we actually propose to spend 46 lakhs of rupees less under the first head than the revised estimate of expenditure for the current year. We propose in fact to continue all efforts for effecting economy which have been exercised during recent months. In estimating that this reduction will be brought about we have assumed a uniformly low scale of receipts throughout the year, and on this assumption, I think, that we have on the whole been cautious and it may be that if the estimate of the traffic to be carried is not exceeded we may be able to effect a still larger reduction than this.

"The Council will readily understand that a considerable provision for special expenditure has not been made without a very careful examination of the position. In consultation with the Agents of railways, the Railway Board have lately examined the whole position in detail. It has been found that during recent years, when a special effort was being made to increase the capacity of our railways, the revenue funds which were made available for special expenditure had to be devoted first to the revenue share of these works of open line improvement, which we had sanctioned with a view to removing the very justifiable complaints made regarding the inadequate capacity of our railways. The sum which was left for the renewal of permanent way, rolling stock, bridges and the like was insufficient to meet the demand, which is naturally a growing one by reason of the facts, first, that the rolling stock and the permanent way which reaches a certain limit of age annually is increasing year by year, and, second, that the very heavy traffic handled recently has naturally added to the amount of wear and tear thereby reducing the normal life of tract and stock. We are in fact to some extent in arrears with what must be considered to be a normal programme of heavy renewals, and we have decided, therefore, to do our best to continue to put our house in order now, rather than to wait until the strain comes and the machine runs a risk of breaking down. I am convinced—and our technical advisers on the Railway Board are convinced—that it would be the worst possible form of economy to attempt to make a saving under the head of special expenditure, even during a single year; to do so would be to impair both the capacity and efficiency of the lines and would result in serious difficulty immediately on the revival of traffic. Of course all this, coupled with a cautious estimate of gross earnings, means that the nett return from railways is estimated to be much less during 1915-16 than during recent bumper years. At the same time I would remind the Council that even so the percentage of nett working profit (excluding interest charges) to capital, as quoted a few days ago by the Hon'ble Financial Member, is estimated at just over the respectable figure of 4 per cent, 1 per cent below the corresponding figure for 1913-14, and higher than the percentage of 3·18 calculated on the same basis, for the last year which can be described as a bad one, that is 1908-09. That this is so I do not think the Council can regard otherwise than as a matter for congratulation."

RESOLUTION *RE* PROVISION FOR AIDING AND ENCOURAGING INDIGENOUS INDUSTRIES.

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, I beg to move—

'That this Council recommend that a sum of Rs. 12,00,000 be provided in the Budget for aiding and encouraging indigenous industries.'

"I need not take up the time of the Council by dwelling upon the importance and the necessity of doing something more than is being done to aid indigenous industries. We had a recent discussion in this Council and the Hon'ble Member in charge of Commerce and Industry accepted a resolution in which it was stated that Government would afford such assistance and co-operation as would be practicable in the promotion of industrial enterprise in India. But I do not see any provision for it in the Budget. If there is, I should like to be corrected at this stage. And I submit, Sir, that the matter is of far greater importance than the language of the resolution to which I have referred would indicate. We have immense raw materials in this country, and we export them in enormous quantities. We have not been developing our industries to the extent that we should have done, considering the numerous other advantages which the country enjoys under the present Government. The Council is aware that the Famine Commission of 1878 reported that in order to guard against the suffering to which the people are exposed during times of famine, it was essential that industrial enterprise should be promoted. Speaking in 1908, Sir John Hewett rightly observed that there is no subject upon which more had been written and less had been done. The Government of India have recognised the duty of promoting industrial enterprise in theory, but, in practice, I regret to say, not much has been done up to this moment. The present war has emphasised the need for it and has also pointed out the advantages which would accrue to the country if the Government were to seize the opportunity. I do not know that there has been any provision made or that there is any intention to take up the matter seriously in order to promote such enterprise. I think in this matter Japan affords us a very instructive lesson. Japan was, like India, till 40 years ago, an agricultural country which used to export its raw produce in enormous quantities. In much less than 40 years its character has changed from an agricultural country into a country which exports manufactures in a larger measure than raw produce. While the percentage of raw produce exported from Japan has been steadily diminshing for the last twenty years, the percentage of manufactured articles exported has been steadily growing. I think, Sir, that no one will question that the Government of India are in a position, if they so desire, to promote as much industrial enterprise and development in this country as the Government of Japan have done for Japan, and it is earnestly to be hoped that in view of all that has been said in this Council on this suject, and of the importance of the subject which is recognised by Government, a serious effort will be made now, not merely to help such industries as may be existing by providing expert advice or by publishing bulletins or other information, for which we do certainly feel thankful, but by finding out whether the Government cannot by a systematic scheme promote such industries as would utilise the enormous quantities of raw products which have to be exported at the present moment. If this is done, Sir, a new era of prosperity will dawn upon India.

"The present War has brought its many evils, but it has shown the great value of wealth. It is expected that the greater wealth of England will in the long run tell against Germany and bring conquest to England. Here in this country we are unfortunately an extremely poor people. Having been under the otherwise excellent administration of Britain for such a long time, India should even now be put in such a position that it should be able to utilize its raw products, and should export only such as cannot be utilized with advantage in this country.

"In this connection, I must draw attention to one portion of the speech of the Hon'ble Mr. Clark, which he delivered on the occasion of the resolution for aiding industries. Speaking of the efforts which were being made in England to form new companies to manufacture dyes and other articles which had ceased to come from Germany and Austria, the Hon'ble Member is reported to have said :—'It is not essential for us, representing India, to make ourselves self-supporting so long as England is able to produce and supply to us the articles which we require.'

"I should be glad to know, Sir, that that report does not correctly represent what the Hon'ble Member said—."

The Hon'ble Mr. Clark :—" That is quite correct."

The Hon'ble Pandit Madan Mohan Malaviya resumed : —" But if it does, I must take strong exception to it. India should benefit and not suffer by its connection with England even in the matter of manufactures. It should do so to a greater extent than other countries not so connected with England. We need to be industrially independent in order that we should be able to turn to the best account the produce of our own country. The fact that England is able to produce certain articles is no reason why India should not, if it profitably can, produce the same articles, and that it should remain content to be merely the supplier of raw articles to England. We should not be content with our industrial condition until we are able to produce every manufactured article which our people use and for which nature gives us an opportunity and an advantage in the shape of raw materials. I hope that my Hon'ble friend, and the Government of India as a whole, do not really take that narrow view which was indicated in the remarks to which I have drawn attention, and I hope that, in view of the great need there is of increasing the national income in India and putting down poverty, of making it possible for the people to be able to live in these days of high prices in a better way than they are at present able to with their deplorably low national income, the Government will recognise the great importance of fostering indigenous industries and will provide the means for making a beginning for it in their present budget. The amount that I have asked for is a very small sum, a sum of 12 lakhs only. One might wonder why it is that, when I ask for a systematic scheme for the development of industrial enterprise, I ask for the small sum of 12 lakhs only. My reason is that I know the difficulties of the present year. In fact we fully recognise that, generally speaking, the Hon'ble the Finance Member has done the very best that he could in the circumstances of the year and we all feel deeply grateful to him for it. It is therefore that I have not asked for a larger sum. But I ask for this sum in order to indicate that the Government of India recognise that they should now actively take steps to find out what industries can be promoted, and to set their heart on promoting them and thereby earn the gratitude of the people."

The Hon'ble Mr. Ghuznavi :—" Sir, I have much pleasure in supporting the resolution which has just been moved by my Hon'ble friend Pandit Madan Mohan Malaviya. My friend has referred to another resolution which was moved in this Council a short time ago and which was accepted in an amended form. Such being the case, there ought not to be any difficulty in accepting the present resolution moved by my Hon'ble friend. What the Non-Official Members of Council were anxious to impress upon Government was that now or never is the time for giving an impetus to indigenous industrial development and that Government, as the chief custodian of all our interests, should avail themselves of this opportunity to pave the way for our industrial regeneration. On the occasion of the last debate that I referred to just now I particularly laid great stress on the fact that at present we need not worry ourselves with large concerns which require lakhs and lakhs of rupees Such undertakings unfortunately are still beyond our capacity. It is the small industries to begin with which suit our people best, such as weaving, spinning, sugar manufacture, manufacture of salt, brass or other metallic articles. All of these can be fostered under judicious guidance and with a very small amount of capital. My Hon'ble friend the Panditjee is not asking for a crore of rupees, but he is only making a very modest request, namely, for only 12 lakhs of rupees, and if Government were not prepared to accede to our request for aiding our industries to any very large extent by making large grants, Government might still, for the sake of making an experiment, accept the present resolution which only requests that the small amount of 12 lakhs of rupees may be granted to that end. Sir, Providence has thrown a great opportunity in our way. Imports from foreign countries have ceased and therefore this is just the time when an experiment of the kind should be made. I have therefore very great pleasure in giving my whole-hearted support to this resolution."

The Hon'ble Rai Bahadur Sita Nath Ray :—"Sir, I do not wish to take up the time of the Council by repeating the arguments which have been used by the Hon'ble Pandit Madan Mohan Malaviya, but as a member of the mercantile community it is desirable that I should speak, and I beg to support the resolution of the Hon'ble Member with all the emphasis I can command. As I propose to move a resolution somewhat analogous to the resolution now moved, I do not like to take up the time of the Council by repeating the arguments which I shall have to use on another occasion. But on all grounds, and considering the small amount which has been asked for, it is extremely desirable that Government should accede to our prayer. What can be more unfortunate than that such a large country as India should be dependent for every necessary, for every luxury, upon foreign countries. Even Japan, as has been pointed out by my Hon'ble friend, which was once an agricultural country, has now commenced to export her manufactured articles to India Formerly India used not only to manufacture all the sugar that it wanted for its own consumption, but it used to manufacture a good deal more and to export it for the use of foreign countries. But what is the position now? Our sugar industry has not only in a manner received a check on account of the cheap sugar imported from Java and other places, but our whole market is glutted with sugar coming from Java, and we are not in a position to compete with the cheaper article of Java. Under all these circumstances it is desirable that something should be done, and, considering the small amount asked for, it is extremely desirable that the Government should do something to promote our industries"

The Hon'ble Maharaja Manindra Chandra Nandi :—"Sir, I beg to support this resolution. Inquiries are being already made in view of the discontinuation of trade with enemy countries as to the feasibility of reviving and restoring Indian industries and the exhibitions recently held of foreign articles have the same object. This seems to be an excellent opportunity for giving an impetus to indigenous industries in India and thereby helping to reduce the dependence of this country for a number of articles on countries with which the British Government are at war. There are many Indian industries which if properly guided and encouraged would be in a thriving condition in a few years, and it is fitting that provision for that purpose should be made in this Budget."

The Hon'ble Maharaja Ranajit Sinha of Nashipur :—"Sir, I have much pleasure in supporting the resolution which has now been moved by my honourable friend Pundit Madan Mohan Malaviya. The question has been fully discussed lately in this Council and the Honourable Member in charge of industries has in a manner accepted the resolution. He promised that the Government would do its best to promote and help indigenous industries as far as practicable.

"But, Sir, in going through the Budget I have not been able to find any sum provided for this purpose, which has been recognised by the Government to be a most important one. Of course, it is very difficult this year to suggest any large expenditure under any item. The Budget has been very carefully prepared by the Honourable Member in charge of Finance, and we are grateful to him; but I think there will be no difficulty in providing such a small sum as has been recommended by my honourable friend in his resolution.

"With these few observations, I have much pleasure in supporting the resolution."

The Hon'ble Mr. Abbott :—"Sir, I beg to support the Hon'ble Mover."

The Hon'ble Mr. Clark:—"I would suggest to Council that it is important in the first place in dealing with this resolution to be absolutely clear what we are discussing. The Hon'ble Member has recommended that a sum of Rs. 12 lakhs should be provided in the present budget for aiding and encouraging indigenous industries; in other words that a sum of 12 lakhs of rupees should be spent in the coming financial year on this object. There has been a certain tendency instead of discussing this proposition to debate the much larger question of the general merits of Government providing money for encouraging indigenous industries. I should be the last person to deny the importance of that problem, and it is a question on which it is very natural that Hon'ble Members should hold opinions and on which they should wish to speak in this Council. But I do not think that we ought to be led to-day into a general discussion of the kind. Nor do I propose to follow the Hon'ble Pandit into the seductive vista of controversy as to how far India should be self-supporting, which he opened up by quoting a single remark of mine from a speech which I delivered the other day on the Hon'ble Raja Kushalpal Singh's resolution. I was there referring to the question as to whether, in view of the fact that there is a great shortage of dyes in India, we ought to take very special steps to replace that shortage. I pointed out the measures which had been taken at home for providing dyes there and what the Home Government had done in the matter of furnishing loans, and said that as the British Navy was fully capable of keeping the seas open, it would be most uneconomical for us to do anything of the same kind in India. The larger question of the general promotion of industries seems to me to be a question more for discussion under the rules which provide for debates on matters of general public interest. What is now under consideration is the budget of the year, and more especially, that side of it which deals with the objects on which the revenue of the year is to be expended. That being so, the question brought forward by the Hon'ble Member resolves itself into the proposition either that the 12 lakhs which at present are allocated to other purposes should now be allocated to the purpose of aiding and encouraging indigenous industries, or that my Hon'ble Colleague the Finance Member should raise for this purpose another 12 lakhs in addition to the revenue for which he has already estimated in the coming year."

"The Hon'ble Pandit did not suggest that the 12 lakhs he wishes to be used for indigenous industries should be provided from other sources; and of one thing I feel fairly certain, and that is that my Hon'ble Colleague the Finance Member cannot on its existing basis expand his revenue even by the comparatively small sum of Rs. 12 lakhs I think I may safely say that any further increase in the demands for expenditure would involve additional taxation. I do not know whether the Hon'ble Pandit would advocate this course, however desirable the objects may be on which the money is to be expended. My Hon'ble Colleague in his Financial Statement has given the reasons why, after very serious consideration, Government have decided against increasing taxation this year. We came to the conclusion that with trade conditions depressed and with the present abnormal rise in food-prices in a large part of the country (I am borrowing my Hon'ble Colleague's own words), we ought not to add to existing taxation, unless it was absolutely necessary to do so. We held that this necessity had not arisen, and much as I wish to see indigenous industries developed in this country, I could not join the Hon'ble Pandit in pressing on my Hon'ble Colleague that additional taxation should be imposed for the purpose.

"Let me turn to another point. The financial year which we have before us will be entered upon under the abnormal circumstances created by a great war. We cannot say how long that war will last, but should it be protracted throughout the year or through a greater part of the year, Government cannot agree with the Hon'ble Member that this is a safe moment for the expenditure of large sums on the promotion of indigenous industries. I need not develop over again the arguments which I have laid before Council in

the debate on the Hon'ble Raja Kushalpal Singh's resolution. I explained then what Government have done in the way of affording finance for the general assistance of trade, and also that Local Governments and ourselves are in other ways affording such help as we can in order to assist Indian manufactures to capture trade which has hitherto been held by German and Austrian competitors. We have not, for the reasons given, gone in for financing industries. We and Local Governments have worked by what seemed to us the sounder method of supplying information and, in some cases, especially in Madras, by Government starting experiments in manufacture to demonstrate that certain industries can be carried on at a profit. Madras and other Provinces are incurring not inconsiderable expenditure for this purpose. The Hon'ble Pandit asked where that was shown in the Budget. It is quite true that it is not shown actually in the Account under that heading: it comes under the heading 'Scientific and Miscellaneous Departments' in the notes to the Budget. The Budget estimate under that head for 1915-16 exceeds the Revenue for the current year by 2·29 lakhs, the increase being mainly for the encouragement of industries in Madras and the Punjab. We do not consider that it would be wise to go further than this at the present time. I am of course aware that many Members of this Council consider that Government should provide capital on a liberal scale for persons who wish to start industries in India. This has not been Government's policy in the past, though in isolated cases and for special reasons Local Governments have from time to time given direct assistance of the kind to particular industries. I would put it to Council that this is not the moment, in the disturbed economic conditions resulting from a great war, for Government to depart from that policy. 12 lakhs sounds a small sum, but how is Government to be sure that expenditure will stop there? If the 12 lakhs of this year are swallowed up and the industries to which they have been handed over still do not flourish, will there not be larger demands in the next Budget or even earlier? We cannot say how long this war will last. So long as that uncertainty remains with us, it is only the commonest prudence to husband our resources and to hesitate over incurring fresh and undefined liabilities I appeal to any of the representatives of Commerce in this Council to say whether those are not the principles which in such circumstances are maintained by a soundly conducted business. I regret, therefore, that I cannot accept the resolution."

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, the first objection of my Hon'ble friend that I have to meet is that I have not indicated where the money is to be found from, and he has put forward the bugbear of additional taxation to silence me. Now, Sir, while we all feel thankful to the Hon'ble the Finance Member for avoiding taxation at a time when there were temptations to resort to it, we must not forget that it became possible for him to avoid additional taxation because the Indian taxpayer has been paying heavily for the past many years. I will not here go into details. It has been pointed out over and over again that the standard at which taxation has been maintained for the past many years has been higher than what was really necessary. Even if it were otherwise, I do not think that my friend can be serious in suggesting that it would be necessary to incur additional taxation in order to provide 12 lakhs. I take a more correct, and if I may say so, a much more complimentary view of the finances of the Government of India, than to feel that to find a sum of 12 lakhs the Government will have to resort to additional taxation. That small sum could be found, if the Hon'ble the Finance Member decided to find it, without any serious dislocation of the other adjustments in the Budget. Then, I have given notice of a resolution that the provision for railways should be reduced by 25 lakhs. My object in doing so, was to meet the objection which has been urged by the Hon'ble Member for Commerce and Industry. I know that, yesterday, a Resolution to the same effect moved by the Hon'ble Mr. Dadabhoy, that the railway programme should be cut down by 50 lakhs was thrown out. And I know that every resolution will be thrown out unless the Government are prepared to

accept it. So I shall not be surprised if the same fate befalls my resolution asking for a reduction of 25 lakhs only in the railway programme. But at the same time I have no doubt that if the Government feel that on the merits of the case it is desirable to provide 12 lakhs to promote indigenous industies, the Hon'ble the Finance Member will not say that, even if no reduction is made in the railway programme, the money could not be found.

"As regards the merits of the question, I would invite the attention of the Hon'ble Member and of the Council to the fact that what we desire is to mark the beginning of a serious and systematic endeavour—the initiation by the Government of a principle and a policy of aiding indigenous industries, in order that the people should take heart for the future, and should feel that we shall not always continue to be exposed to the pitiable condition to which we have been found exposed during the present war, when even for glass bangles we have to depend on Austria and Germany, and the cessation of the imports of that petty article should make it impossible for the poor people who use it to find it in the market. That is a state of affairs, Sir, which is not complimentary to the Commerce and Industry Department of the Government of India. I understand—I have not got the figures here, but I understand—that the value of glass bangles imported during the last few years from Austria and Hungary was about 43 (or 65 ?) lakhs. Now I put forward a definite proposal. I put aside other articles of glass. Is it too much to ask that the Government of India should make up its mind to promote and aid the glass industry, wherever necessary, by money, by expert advice and in other ways, during the next twelve months, so as to enable it to produce some of the articles which used to be imported from the enemy country—at any rate under that one head ? There is any amount of facilities in this country for producing glass. There are some glass factories at work here. All that the Government has to do is to make up its mind to find out what it is that hampers the progress of the industry, what it is that is required to enable the people of this country to work it up successfully, and to give the necessary aid to the people in order to do so.

"My Hon'ble friend says this is not the time for us to ask for more money, because this is a period of war, and he appeals to the representatives of Commerce in the Council to support the view that this is not the time to embark on such expenditure as I propose. With due deference to my Hon'ble friend, I submit that this is particularly the time when such an effort should be made. War has thrown lots of our people out of employment; and if by the means I suggest, employment is provided for some people it would be a decided gain to the Government and the people.

"My Hon'ble friend also said that we should confine ourselves to the question that is before us and not go into the larger question of Government aid to indigenous industry. I am quite willing to do so; I thought I had done so. If I referred to the larger question it was only in order to show the necessity of the measure I recommend being adopted, and in order to show how small and modest is the proposal that I have put before the Government.

"In reply to my objection that no expenditure has been provided for in the present budget my Hon'ble friend referred me to page 75 of the Statement, where it is said that 2·29 lakhs have been provided mainly as 'enhanced provision for industrial experiments and for the encouragement of industries in Madras and the Punjab.' Technically my friend is right; but I thought if nothing else, the very smallness of the provision would make my Hon'ble friend hesitate to refer me to that as an answer to my resolution. That sum will undoubtedly be absorbed in some experiments and it is well that it should be. But what we want is 12 lakhs provided in order to see which of the many industries which it has become possible to encourage and foster during the present time could be most effectively pushed forward by the Government during the twelve months before us. I do not think I will be usefully taking

up the time of the Council by prolonging the discussion ; but I do hope the Government will see their way to accede to this demand, which has been supported by many Members and which will be supported by the country, and find the 12 lakhs for an experiment and a departure of a thoroughly beneficial character."

The Hon'ble Pandit Madan Mohan Malaviya then asked for a division and the Council divided as follows :—

Ayes—14.

1. The Hon'ble Mr. Ghuznavi.
2. The Hon'ble Pandit Madan Mohan Malaviya.
3. The Hon'ble Khan Bahadur Mir Asad Ali Khan.
4. The Hon'ble Sir Fazulbhoy Currimbhoy.
5. The Hon'ble Maharaja Ranajit Sinha of Nashipur.
6. The Hon'ble Maharaja M. C. Nandi of Kasimbazar.
7. The Hon'ble Raja of Mahmudabad.
8. The Hon'ble Mr. Huda.
9. The Hon'ble Rai Bahadur Sitanath Ray.
10. The Hon'ble Raja Kushalpal Singh.
11. The Hon'ble Raja Jai Chand.
12. The Hon'ble Mr. Dadabhoy.
13. The Hon'ble Sir G. M. Chitnavis.
14. The Hon'ble Mr. Abbott.

Noes—36.

1. His Excellency the Commander-in-Chief.
2. The Hon'ble Sir Robert Carlyle.
3. The Hon'ble Sir Ali Imam.
4. The Hon'ble Mr. Clark.
5. The Hon'ble Sir Reginald Craddock.
6. The Hon'ble Sir William Meyer.
7. The Hon'ble Mr. Hailey.
8. The Hon'ble Mr. Monteath.
9. The Hon'ble Mr. Cobb.
10. The Hon'ble Mr. Wood.
11. The Hon'ble Mr. Brunyate.
12. The Hon'ble Mr. Wheeler.
13. The Hon'ble Mr. Low.
14. The Hon'ble Mr. Sharp
15. The Hon'ble Mr. Porter.
16. The Hon'ble Mr. Kershaw.
17. The Hon'ble General Holloway.
18. The Hon'ble Mr. Michael.
19. The Hon'ble Surgeon-General Sir C. P. Lukis.
20. The Hon'ble Mr. Russell.
21. The Hon'ble Mr. Maxwell.
22. The Hon'ble Major Robertson.
23. The Hon'ble Mr. Kenrick.
24. The Hon'ble Mr. Kesteven.
25. The Hon'ble Sir William Vincent.
26. The Hon'ble Mr. Carr.
27. The Hon'ble Mr. Reid.
28. The Hon'ble Mr. Donald.
29. The Hon'ble Mr. Maude.
30. The Hon'ble Mr. McNeill.
31. The Hon'ble Lt.-Col. Brooke Blakeway.
32. The Hon'ble Mr. Maynard.
33. The Hon'ble Mr. Walker.
34. The Hon'ble Lt.-Col. Gurdon.
35. The Hon'ble Mr. Arbuthnot.
36. The Hon'ble Maung Mye.

The resolution was accordingly rejected.

RESOLUTION *RE* REDUCTION OF PROVISION FOR WORKING EXPENSES OF RAILWAYS.

The Hon'ble Pandit Madan Mohan Malaviya :—" Sir, I beg to move—

'That this Council recommends that the Budget allotment for the working expenses of Railways be reduced by R10,00,000.'

"I have listened with careful attention to the remarks of the Hon'ble Member for Commerce and Industry on this head in the statement that he has made. I propose to deal with some of the points which bear upon this resolution. In the first place the Hon'ble Member has claimed that over 66 lakhs less has been provided under ordinary working expenses That is perfectly true, but I submit that that does not entitle the Department to any great credit, because the experience of this year has shown that when there is less traffic the working or operating expenses must necessarily be reduced. They expect less traffic during the coming year, and therefore they have budgeted for a smaller revenue. Necessarily they could not help reducing the operating and working expenses by the amount that they have done. But so far as the other expenses which fall under this head are concerned, namely, what my friend calls 'special expenditure', that is expenses for improvements, they stand on a different footing. My Hon'ble friend says that it has been found necessary for several years to keep up a normal programme of heavy renewals. I am glad that he does say so, because that is exactly what is supported by the figures, which have been provided for year after year in the Budget for working expenses. But this view somewhat militates against that portion of the speech of the Hon'ble the Finance Member where he said that ' We have found it necessary to make considerable additional provision for the improvement of the equipment of the railway lines which was represented to us to have fallen somewhat behind-hand in recent years, and to have become a pressing requirement.' I do not understand, Sir, how the equipment of the railway lines can be said to have fallen somewhat behind-hand in recent years and to have pressed itself upon the attention of the Finance Department as a pressing requirement this year, when, as the Hon'ble Mr. Clark rightly says, a normal programme of heavy renewals has been kept up for several years The history of the working expenses tells a somewhat different tale. We find that before the Railway Board came into existence, that is up to the year 1905, the working expenses averaged about 46 to 48 per cent of the gross receipts from railways. From 1905, when the Board was constituted, the proportion of its working expenses has been steadily going up. We find that in 1906 it rose to 46 or 46½ ; in 1907, it went up to 57·5 ; in 1908-09, to 62 per cent, and in 1910 to 55·3 per cent. We find also that in 1911-12, the gross receipts were 50 crores, 36 lakhs and odd, in 1912-13, 55 crores. The working expenses in 1911-12 amounted to 25 crores, 89 lakhs, in 1912-13 to 28 crores In 1913-14 they amounted to 29 crores, 35 lakhs, and in the revised estimates of 1914-15 they are shown as 29 crores, 63 lakhs ; the Budget before us provides for 29 crores, 86 lakhs. It will thus appear that the working expenses have been growing steadily and enormously. I cannot therefore understand how it is that the Finance Department was persuaded this year that our equipment in this matter had somewhat fallen behind-hand in recent years. What I further submit, Sir, is that, in last year's Budget estimate provision was made for 29 crores and 74 lakhs, and the revised estimates show that only 29 crores, 63 lakhs could be utilized. If the provision of last year could not be fully utilized, partly owing, no doubt, to the operating expenses having been low, why add 24 lakhs this year to the working expenses ? This is a year of deficit ; we are faced with a special situation, and unless it can be shown that there is very great and pressing need for pushing up our equipment in this direction, this certainly does not seem to be a year when an extra sum of 24 lakhs should be added to the working expenses. There is another aspect of this question, Sir. The

working expenses of railways, as I have submitted, have been steadily growing since 1905, when the Railway Board came into existence; and as these expenses grow, they necessarily reduce the net profit derivable from the railways. That these profits have come to ·53 in the present year and that they are calculated to come to ·32 in the following year, is a matter which ought to put the Railway Board somewhat athinking on this question, ought to induce them to undertake a closer and more strict examination of the requirements of renewals than evidently they have been taking. The general public are entitled to see that the working expenses are not unnecessarily swollen. The railways have cost us a tremendous lot, and we are getting very, very small returns. In order that that return should not come to the vanishing point, it is essential that renewals should only be undertaken where they are actually necessary, and certainly not undertaken in a year when the returns from the railways, owing to the special circumstances of the year, are certain to be much poorer than they were last year. I therefore propose that the amount of working expenses should be reduced by 10 lakhs in the budget before us."

The Hon'ble Mr. Clark:—"Sir, the Hon'ble Member has been rather hard on the Railway Department, if he will permit me to say so. We are to have no credit for the reduction of 46 lakhs under ordinary expenditure, and we are to have a great deal of discredit for the increase of 70 lakhs under special expenditure.

"It is a very difficult matter to cut down ordinary expenditure merely because traffic falls off. A great proportion of the working expenses must be fixed expenses, such as wages of the staff, and you cannot largely reduce working costs merely because a few trains have been taken off. I think the Railways have done very well indeed to make such a big saving as has been secured. Then we come to special expenditure. I have already dealt with this matter in my speech introducing the Railway head of the Budget and I need not go over the same ground again. The Hon'ble Member has referred to the reasons which have led to the grant of a larger amount under this head. The main reason is that we have been getting behind-hand in renewals. It is true that in the last three or four years we have been spending larger sums than before, but we are still behind-hand, and it would be a very unwise policy to allow ourselves to get still more in arrears.

"It is very difficult to discuss these three resolutions without, to some extent, connecting them together. The first is that a sum of 12 lakhs should be provided for aiding and encouraging indigenous industries. The second is in effect that Government should neglect to take the steps which seem to them necessary for raising to an adequate pitch of efficiency their railways, by which the products of industries are carried to their markets. The third will have very much the same effect as the second. To my mind there is some significance in the accidental juxtaposition of the second resolution and the first. Hon'ble Members need not carry their minds very far back to recall the acute congestion on railways in the last 2 or 3 years and the complaints which arose on all sides in commercial circles. The injury done to trade was undeniable. A far greater degree of expansion might have been reached had our railways been more adequate to their task. I cannot accept all the blame for the railways. As Hon'ble Members know, the boom was a very sudden one which produced similar effects in nearly every country in the world. But at the same time our railway policy cannot be held to have been entirely free from blame. We had not in the past pursued with sufficient vigour the policy of improving open lines; renewals had been postponed; expenditure had been cut down, and when this great improvement in trade came, I am afraid it cannot be denied that our railways were not as efficient as they should have been. Latterly we have pursued a policy of steady and continued improvement. I have not the faintest doubt that we are right in so doing and that we are acting in the best economic interests of India. It is one of the matters on which I look back with the greatest satisfaction, now that my five years in India are drawing to a close, that I shall leave our railways in a fair way to have drawn level with the demands which may reasonably be expected to be

made upon them. But this result has not yet been achieved, and if we were to accept the Hon'ble Member's proposal and reduce the present budget allotment I can think of no more certain way of preventing, or at least postponing, its realisation. I am afraid in these circumstances I cannot agree to the resolution."

The Hon'ble Pandit Madan Mohan Malaviya:—"I think, Sir, that the Hon'ble Member should not consider the remarks that I made in the light in which he has taken them; he should not think that I want to keep back from the Railway Board the credit that is due to them for what they have done, or to throw any discredit upon them for what they have not done. We are dealing with a business proposition; the Railway Department of the Government of India is a business Department, and we have to look at the matter from a business point of view. The fact that the ordinary working expenses have been reduced this year has been noted in the statement before us. I have no doubt that every Department deserves credit, but when we point out that something more might have been done, in the way of reduction, for keeping down expenditure so far as it thought it fit to do, we do it not in a spirit of carping but in order that our business should be better attended to and, if possible, better promoted. We have to face the fact that railway working expenses have from 1905 onwards been steadily growing, and that they have grown from 46 per cent to 51 or 52 per cent, and the further fact that during these many years heavy renewals have been made year after year. The coming year will be a bad year for profits, and it therefore seems to me proper that the programme of working expenses, *i.e.*, of renewals, might well be reduced by 10 lakhs. My Hon'ble friend has spoken in a manner that would show that my proposal would put a stop to all renewals, That certainly is not so. When you provide for nearly 30 crores for working expenses of railways, a reduction in these expenses of a sum of 10 lakhs cannot much hamper your work, but it will serve to show that there is a willingness, an earnest desire on the part of the Department to show that they will do with a lesser amount when they can. I would not take up more time. I fear that proposals put forward by non-officials members do not receive the consideration which might be shown to them. The programme of expenditure in the different departments is fixed by the Finance Department, in consultation with the various Departments of the Government of India; non-official members are not even informed what is proposed to be done until the financial statement is made; the whole matter is arranged, decided on, and it seems unalterably fixed, when it comes before us for discussion. We put forward some suggestions, some may not be exactly right from the Government point of view; it may be that the Government is generally right, but it is difficult to believe that the Government Departments are always right, precisely to the pie, in the allotments that they have fixed for all the various items in the Budget. When the Government are pleased to give non-official Members an opportunity of putting forward suggestions, it does seem hard that they should not be able to see their way of accepting any suggestion for a change in the Budget."

The resolution was put and rejected.

RESOLUTION *RE* REDUCTION OF CAPITAL EXPENDITURE ON RAILWAYS.

The Hon'ble Pandit Madan Mohan Malaviya :—"The last Resolution, Sir, was a consequential Resolution, the object of which was to suggest to the Government how money for the different proposals which I have put forward might be found. As those proposals have been rejected, I do not press this Resolution, namely :—

'That this Council recommends that the Budget provision for capital expenditure on Railways be reduced by R25,00,000.'

The resolution was by leave withdrawn.

FINANCIAL STATEMENT.

SECOND STAGE.

The Hon'ble Sir Reginald Craddock:—"The main heads with which the Home Department are concerned, though most important in themselves, represent the ordinary administrative machinery of the country. They include General Administration, Law and Justice, including Courts of Law and Jails, Police, Medical as apart from Sanitation, and Registration.

"The variations in the figures are explained in the Financial Statements. No resolutions are being moved in regard to any of them, and they have apparently evoked no criticism from Hon'ble Members of this Council.

"We had hoped that in ordinary circumstances, the current year would have seen the promised Jail Commission at work, examining our prison system; but, as in many other cases, the War has obliged us to postpone this inquiry for the present. I regret exceedingly that this has been necessary, for I had great hopes that much good would result from such an inquiry for which the time had become ripe. The subject was also one in which many Hon'ble Members have taken much interest. We may hope that the postponement will be a short one, though it is impossible now to make any forecast of the probable date at which the matter will be again taken up.

"Under Courts of Law, the buildings for the new High Court at Patna are nearing completion; the question of strength, personnel and establishment, is under elaboration, while, as the Council is aware, the question of converting the Chief Court at Lahore into a High Court is before the Secretary of State.

"Under Police there is, and must be, as I indicated last year, continuous expansion. Constables must be paid a living wage and it has been found necessary, in some provinces, to increase the pay also of the head constables, while the general scheme of reform following on the Police Commission's recommendations still forms a continuous process.

"I desire once more, on behalf of the Government of India, to give a tribute of praise to the officers and men of the Indian Police. I do not think that India ever properly recognises what she owes to the police. The few cases of serious misconduct that occur—and I am glad to say that they have been becoming fewer each year—are magnified out of all proportion to their numerical importance, while all the excellent work that the police do is for the most part unnoticed or ignored. It falls to me to see many judgments of the higher criminal courts every year, and I can testify to the number of cases in which the work of the police has been pronounced to be good and honest and, in many cases, specially commended, while condemnation is exceedingly rare.

"As I pointed out last year, with the development of the country, police work is daily becoming harder and not easier, and the force requires a degree of support and co-operation from the public which it does not yet receive. If accused persons are acquitted on the benefit of a doubt it is rashly assumed that they ought not to have been prosecuted. Cases in which the Courts find themselves able to say that the accused ought not to have been prosecuted are exceedingly rare. In no country in the world are all the persons sent up for trial convicted. It is the function of the police to lay evidence before the Courts in cases where there is *primâ facie* evidence and not to arrogate to themselves a decision. If prosecutions fail, how often can it be said that it is the fault of the police? How often may it not be due to the indifference of the public? I repeat once more that if the police is to cope successfully with the increasing volume of the crime of the country, they require the fullest sympathy and encouragement."

The Hon'ble Sir William Meyer:—"Sir, I beg to introduce the following heads of the Financial Statement for 1915-16.

As regards Revenue:—

Opium.	Receipts in Aid of Superannuation.
Interest.	Exchange.
Mint.	Miscellaneous.

As regards Expenditure:—

Refunds.	Mint.
Opium.	Civil, Furlough and Absentee Allowances.
Stamps.	Superannuation Allowances and Pensions.
Assessed Taxes.	Exchange.
Interest on Obligations other than the Public Debt.	Miscellaneous.
	Reduction or Avoidance of Debt.

"I need add nothing to the comments and explanations already given in regard to these items in my speech introducing the Financial Statement and in the Secretary's supplementary Memorandum."

The Hon'ble the Vice-President:—"The Council will now adjourn till Wednesday, the 17th March, at 11 o'clock."

W. H. VINCENT,

Secretary to the Government of India,
Legislative Department.

DELHI;

The 17th March, 1915.

Speech of the Honourable Finance Member

INTRODUCING THE

BUDGET FOR 1915-16.

I rise to present the Budget of the Government of India for 1915-16. The preliminary estimates which I laid before the Council on the 2nd March have been revised in the light of our latest information. The Financial Secretary's explanatory memorandum has also been checked and brought up to date.

2. The final figures of the Revised estimate for 1914-15 and of the Budget estimate for 1915-16 are given in the statements which I have to-day laid before the Council. The broad results of the revenue account are brought out in the table below, the figures in brackets, now superseded, being those given in the corresponding tables appearing in paragraphs 24 and 39 of my speech introducing the Financial Statement :—

[In millions of £]

	Budget, 1914-15.			Revised, 1914-15.			Budget, 1915-16.		
	Imperial.	Provincial.	Total:	**Imperial.**	Provincial.	Total.	**Imperial.**	Provincial.	Total.
Revenue . .	**54·237**	30·842	85·079	**49·929** **(49·927)**	30·228 (30·229)	80·157 (80·156)	**49·650** **(49·655)**	30·750 (30·692)	80·400 (80·347)
Expenditure . .	**52·981**	34·048	87·029	**52·715** **(52·669)**	32·483 (32·446)	85·198 (85·115)	**52·607** **(52·425)**	31·828 (31·755)	84·435 (84·180)
Surplus (+) or deficit (—).	**+1·256**	—3·206	—1·950	**—2·786** **(—2·742)**	—2·255 (—2·217)	—5·041 (—4·959)	**—2·957** **(—2·770)**	—1·078 (—1·063)	—4·035 (—833)

The alterations which have been made in the figures of the Financial Statement are not important and can be very briefly explained.

3. The effect of our corrections in the Revised estimate for the current year is to increase the Imperial deficit previously announced by £44,000, and the Provincial deficit by £38,000. The Land Revenue is not coming in quite so rapidly as we anticipated in Burma and Madras. We have also had to allow, under the new adjusting head for transfers between Imperial and Provincial, for the grant of £67,000 (10 lakhs) to the Calcutta University, for hostels, which was announced by Your Excellency a few days ago at Calcutta. On the other hand, the Salt revenue has been increased by further advance payments of duty in February, and the latest figures indicate an increase of Customs receipts under silver and petroleum. The net effect of these changes is to leave the total revenue, whether Imperial or Provincial, almost unchanged, and the slight increase in the deficit of the year to which I have already referred is due to minor variations in the expenditure figures.

4. As regards the Budget of next year, the effect of the changes made is to raise the Imperial deficit by £187,000 and the Provincial deficit by £15,000. Here again, there is very little change on the Revenue side. Under Land Revenue we allow for some increase of arrear collections (£42,000 more under Imperial and £58,000 more under Provincial) in view of the short collections at the end of the current year. But this is counterbalanced, in the case of Imperial revenues, by a reduction of our anticipated Salt revenue in consequence of the higher figure taken for advance payments in the current year. An increase of £182,000 under Imperial expenditure is almost wholly explained by our having been obliged to raise the total net grant for Military Services by £169,000 as the result of increased expenditure now advised by the Secretary of State in England owing mainly to a rise in the prices of military stores. On the Provincial side the total allotment for expenditure has been raised by £73,000. This represents in the main the provincial outlay involved in the transfer to the Calcutta University of the grant of £67,000 for hostels already referred to, which in the current year is treated as a provincial receipt.

5. Turning now to Ways and Means, we expect the total cash balance, in England and India, at the end of the current year to be some £288,000 higher than the figure taken in the Financial Statement. This is due to recoveries from the War Office being effected more promptly than we had anticipated, and to larger outstandings of Council Bills. We must expect, however, to lose this temporary addition to our resources during 1915-16. In addition, we have to finance the slightly larger Imperial and Provincial deficits which I have just explained. On the whole, therefore, we expect the closing balance on the 31st March 1916 to be about £235,000 less than we anticipated in the Financial Statement, but this relatively slight divergence does not require any modification of our previous arrangements.

6. A larger share (to the extent of some £700,000 more) of the lump provision of £8 million for Railway capital outlay is now expected to be incurred in India; and the effect of this, with other minor variations, is that we now estimate that we can meet the Secretary of State's actual remittance requirements in 1915-16 by the sale of £7·1 million of Council Bills, *i.e.*, some £600,000 less than the amount previously allowed for.

W. S. MEYER.

The 22nd March 1915.

BUDGET

OF THE

GOVERNMENT OF INDIA

MARCH 1915.

ACCOUNTS	1913-14
REVISED ESTIMATES	1914-15
BUDGET ESTIMATES	1915-16

CONTENTS.

	PAGES
I.—GENERAL STATEMENT of the REVENUE and EXPENDITURE charged to REVENUE of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	88—89
II.—GENERAL STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	90—91
A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND	92—93
B.—STATEMENT of the EXPENDITURE charged to the REVENUES of INDIA, in INDIA and in ENGLAND	94—97
C.—STATEMENT of RECEIPTS and DISBURSEMENTS of the GOVERNMENT of INDIA, in INDIA and in ENGLAND	98—101
D.—STATEMENT of REVENUE, EXPENDITURE, and BALANCES of PROVINCIAL GOVERNMENTS . .	102
E.—ABSTRACT STATEMENT of the RECEIPTS and DISBURSEMENTS of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND	103
MEMORANDUM EXPLAINING THE DETAILS OF THE ESTIMATES	105—213
APPENDIX	215—241

I.—General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Revenue—					
Principal Heads of Revenue—					
Land Revenue	A	21,391,575	21,674,100	21,056,300	22,149,600
Opium	„	1,624,878	1,839,100	1,566,100	1,798,000
Salt	„	3,445,305	3,436,900	3,772,000	3,335,400
Stamps	„	5,318,293	5,371,600	5,045,300	5,107,100
Excise	„	8,894,300	9,161,900	8,809,100	8,790,300
Customs	„	7,558,220	7,236,800	6,366,200	5,943,000
Other Heads	„	5,496,175	5,337,300	5,143,700	5,151,000
TOTAL PRINCIPAL HEADS	...	53,728,746	54,057,700	51,758,700	52,274,400
Interest	A	1,352,119	1,376,000	1,021,600	1,057,100
Posts and Telegraphs	„	3,598,519	3,732,400	3,519,300	3,579,200
Mint	„	339,841	249,800	57,900	71,300
Receipts by Civil Departments	„	1,408,286	1,437,300	1,483,500	1,534,000
Miscellaneous	„	772,579	731,700	759,600	583,200
Railways: Net Receipts	„	17,625,634	17,329,700	15,268,300	15,029,300
Irrigation	„	4,713,159	4,559,300	4,706,600	4,795,300
Other Public Works	„	298,640	239,400	266,400	256,100
Military Receipts	„	1,369,652	1,366,100	1,315,700	1,220,300
TOTAL REVENUE	...	85,207,175	85,079,400	80,157,600	80,400,200
DEFICIT	...	...	...	2,785,800	2,957,100
TOTAL	...	85,207,175	85,079,400	82,943,400	83,357,300

DELHI,
FINANCE DEPARTMENT,
March 22, 1915.

R. A. GAMBLE,
Comptroller-General.

Revenue, of the Government of India, in India and in England.

	For details, *vide* Statement.	Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	9,274,597	9,341,000	9,018,600	9,539,300
Interest	„	1,515,653	1,607,800	1,480,900	1,476,100
Posts and Telegraphs	„	3,272,984	3,350,000	3,290,100	3,294,400
Mint	„	132,630	104,300	139,400	102,000
Salaries and Expenses of Civil Departments	„	17,934,199	19,793,000	18,938,800	19,207,800
Miscellaneous Civil Charges	„	5,403,804	5,449,700	5,400,500	5,120,400
Famine Relief and Insurance	„	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	„	12,836,101	13,409,000	13,354,700	13,839,500
Irrigation	„	3,531,867	3,651,400	3,742,400	3,650,800
Other Public Works	„	7,010,038	7,456,500	7,010,600	5,815,100
Military Services	„	21,265,765	21,866,100	21,822,400	21,382,500
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	...	83,177,038	87,028,800	85,198,400	84,431,900
Add—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.	End of B	325,692	...	...	...
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	*608,578*	*3,205,400*	*2,255,000*	*1,077,600*
TOTAL EXPENDITURE CHARGED TO REVENUE	...	82,894,752	83,822,900	82,943,400	83,357,300
SURPLUS	...	2,312,423	1,256,500	...	...
TOTAL	...	85,207,175	85,079,400	82,943,400	83,357,300

H. F. HOWARD,
Controller of Currency.

J. B BRUNYATE,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts.			
		Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Surplus	C	2,312,423	1,256,500	...	...
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised through Companies towards outlay on State Railways	„	34,667	816,600	2,367,500	6,533,300
Capital contributed by Native States towards construction of State Railways	„	200,000	66,700	66,700	66,700
Capital raised and deposited by Railway Companies (net)	„	4,717,480	888,100	2,044,000	320,600
Debt, Deposits, and Advances—					
Permanent Debt (net incurred)	C	118,200	7,274,600	2,727,200	2,008,700
Temporary Debt (net incurred)	„	...	...	14,333,300	...
Unfunded Debt (net incurred)	„	2,201,970	1,772,100	...	...
Deposits and Advances (net)	„	67,762	...	...	...
Loans and Advances by Imperial Government (net Repayments)	„	213,183	...	...	...
Loans and Advances by Provincial Governments (net Repayments)	„	...	62,200	...	405,000
Loans to Local Boards for Railway Construction	„	7,124	7,400	7,400	7,700
Remittances (net)	„	...	...	...	705,700
Secretary of State's Bills drawn	„	29,050,827	20,000,000	6,900,000	7,100,000
TOTAL RECEIPTS	...	38,923,636	32,144,200	28,446,100	17,147,700
Opening Balance—India	...	19,293,131	14,707,131	15,608,253	13,855,353
England	...	9,789,634 (a)	7,457,034 (a)	8,157,732 (a)	7,620,132 (a)
TOTAL	...	68,006,401	54,308,365	52,212,085	38,623,185

(a) Include balances of the Gold Standard Reserve as shown

R. A. GAMBLE,
Comptroller General.

DELHI,
FINANCE DEPARTMENT,
March 22, 1915.

Government of India, in India and in England.

	For details, *vide* Statement.	Disbursements.			
		Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Deficit	C	...	...	2,785,800	2,957,100
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	„	1,282,262	1,200,000	1,163,100	1,100,000
Outlay on State Railways	„	10,483,200	10,472,700	10,550,700	7,637,700
Initial outlay on new Capital at Delhi	„	447,134	666,700	363,400	266,700
Outlay of Railway Companies (net)	„	2,002,303	1,865,600	1,482,100	683,700
* Total Capital Account Disbursements	...	14,214,899	14,205,000	13,559,300	9,688,100
Debt, Deposits and Advances—					
Unfunded Debt (net Discharged)	C	...	...	5,070,900	219,900
Deposits and Advances (net)	„	...	2,583,900	415,700	1,894,100
Loans and Advances by Imperial Government (net Advances)	„	...	238,700	4,700	153,700
Loans and Advances by Provincial Governments (net Advances)	„	797,937	...	131,600	...
Remittances (net)	„	176,823	6,200	2,111,400	...
Secretary of State's Bills paid	„	29,050,757	20,000,000	6,657,200	7,260,000
Total Disbursements	...	44,240,416	37,033,800	30,736,600	22,172,900
Closing Balance—India	...	15,608,253	12,378,031	13,855,353	12,433,253
England	...	(a) 8,157,732	(a) 4,896,534	(a) 7,620,132	(a) 4,017,032
TOTAL	...	68,006,401	54,308,365	52,212,085	38,623,185

in the notes on pages 100 and 101.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

A.—Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1913-1914.					REVISED	
	India	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN		India.	England.
				Imperial.	Provincial.		
Principal Heads of Revenue—	£	£	£	£	£	£	£
I.—Land Revenue	21,391,775	...	**21,391,575**	10,384,600	11,006,975	21,056,300	...
II.—Opium	1,624,878	...	**1,624,878**	1,624,878	...	1,566,100	...
III.—Salt	3,445,305	...	**3,445,305**	3,445,305	...	3,772,000	...
IV.—Stamps	5,318,293	...	**5,318,293**	2,709,789	2,608,504	5,045,300	...
V.—Excise	8,894,300	...	**8,894,300**	2,498,883	6,395,417	8,809,100	...
VI.—Provincial Rates	180,210	...	**180,210**	398	179,812	37,100	...
VII.—Customs	7,558,220	...	**7,558,220**	7,558,220	...	6,366,200	...
VIII.—Assessed Taxes	1,950,250	...	**1,950,250**	1,068,870	881,380	2,008,700	...
IX.—Forest	2,229,872	...	**2,229,872**	74,196	2,155,676	1,998,500	...
X.—Registration	518,962	...	**518,962**	6,418	512,544	492,300	...
XI.—Tributes from Native States	616,881	...	**616,881**	616,881	...	607,100	...
TOTAL	53,728,746	...	**53,728,746**	29,988,438	23,740,308	51,758,700	...
XII.—Interest	1,032,754	319,365	**1,352,119**	1,067,516	284,603	839,100	182,500
XIII.—Posts and Telegraphs	3,593,734	4,785	**3,598,519**	3,598,519	...	3,509,500	9,800
XV.—Mint	339,777	64	**339,841**	339,841	...	57,900	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	373,791	...	**373,791**	19,220	354,571	405,600	...
{ Jails	288,448	...	**288,448**	31,236	257,212	291,700	...
XVII.—Police	130,339	...	**130,339**	3,909	126,430	132,200	...
XVIII.—Ports and Pilotage	153,609	...	**153,609**	...	153,609	138,900	...
XIX.—Education	247,905	...	**247,905**	5,853	242,052	258,800	...
XX.—Medical	79,712	676	**80,388**	1,271	79,117	86,200	700
XXIA.—Agriculture	65,897	...	**65,897**	8,861	57,036	65,500	...
XXIB.—Scientific and Miscellaneous Departments	66,947	962	**67,909**	10,473	57,436	103,000	900
TOTAL	1,406,648	1,688	**1,408,286**	80,823	1,327,463	1,481,900	1,600
Miscellaneous—							
XXII.—Receipts in aid of Superannuation	144,941	61,869	**206,810**	150,968	55,842	158,100	49,200
XXIII.—Stationery and Printing	93,416	...	**93,416**	41,556	51,860	98,300	...
XXIV.—Exchange	119,741	...	**119,741**	119,741	...	71,700	...
XXV.—Miscellaneous	311,901	40,711	**352,612**	154,504	198,108	368,600	13,700
TOTAL	669,999	102,580	**772,579**	466,769	305,810	696,700	62,900
Railways—							
XXVI.—State Railways (Gross Receipts)	37,545,905	230	**37,546,135**	37,537,881	8,254	35,639,300	400
Deduct :—Working Expenses	*19,572,745*	...	*19,572,745*	*19,566,778*	*5,967*	*19,754,700*	...
Surplus profits paid to Companies, etc.	*440,857*	...	*440,857*	*440,857*	...	*685,700*	...
Net Receipts	17,532,303	230	**17,532,533**	17,530,246	2,287	15,198,900	400
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	16,331	76,770	**93,101**	93,101	...	21,700	47,300
TOTAL	17,548,634	77,000	**17,625,634**	17,623,347	2,287	15,220,600	47,700
Irrigation—							
XXIX.—Major Works: Direct Receipts	2,765,966	...	**2,765,966**	1,161,457	1,604,509	2,750,200	...
Portion of Land Revenue due to Irrigation	1,684,374	...	**1,684,374**	910,519	773,855	1,697,200	...
XXX.—Minor Works and Navigation	262,819	...	**262,819**	101,642	161,177	259,200	...
TOTAL	4,713,159	...	**4,713,159**	2,173,618	2,539,541	4,706,600	...
Other Public Works—							
XXXI.—Civil Works	298,640	...	**298,640**	45,920	252,720	266,400	...
Military Receipts—							
XXXII.—Army: Effective	765,604	315,027	**1,080,631**	1,080,631	...	710,900	320,100
Non-Effective	86,716	36,159	**122,875**	122,875	...	85,500	35,000
	852,320	351,186	**1,203,506**	1,203,506	...	796,400	355,100
XXXIII.—Marine	89,542	...	**89,542**	89,542	...	89,200	...
XXXIV.—Military Works	76,604	...	**76,604**	76,604	...	75,000	...
TOTAL	1,018,466	351,186	**1,369,652**	1,369,652	...	960,600	355,100
Transfers between Imperial and Provincial Revenues	...	...	...	—2,536,386	+2,536,386	...	...
TOTAL REVENUE	84,350,557	856,618	**85,207,175**	54,218,057	30,989,118	79,498,000	659,600

India, in India and in England.

ESTIMATE, 1914-1915.				BUDGET ESTIMATE, 1915-1916						
Total.	Distribution of Total between		Increase + Decrease − as compared with Budget Estimate, 1914-1915.	India	England.	Total	Distribution of Total between		Increase + Decrease of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease − of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
21,056,300	10,286,400	10,769,900	—617,800	22,149,600	...	22,149,600	10,832,400	11,317,200	+475,500	+1,093,300
1,566,100	1,566,100	...	−273,000	1,798,000	...	1,798,000	1,798,000	...	−41,100	+231,900
3,772,000	3,772,000	...	+235,100	3,335,400	...	3,335,400	3,335,400	...	−101,500	−436,600
5,045,300	2,571,200	2,474,100	−326,300	5,107,100	...	5,107,100	2,602,000	2,505,100	−264,500	+61,800
8,809,100	2,489,700	6,319,400	−352,800	8,790,300	...	8,790,300	2,457,400	6,332,900	371,600	−18,800
37,100	400	36,700	+6,800	30,600	...	30,600	200	30,400	+300	−6,500
6,366,200	6,366,200	...	−870,600	5,943,000	...	5,943,000	5,943,000	...	−1,293,800	−423,200
2,008,700	1,103,000	905,700	+128,300	1,878,300	...	1,878,300	1,036,400	841,900	−2,100	−130,400
1,998,500	55,800	1,942,700	−295,500	2,115,800	...	2,115,800	62,400	2,053,400	−178,200	+117,300
492,300	6,200	486,100	−31,000	513,000	...	513,000	6,100	506,900	−10,300	+20,700
607,100	607,100	...	−2,200	613,300	...	613,300	613,300	...	+4,000	+6,200
51,758,700	28,824,100	22,934,600	−2,299,000	52,274,400	...	52,274,400	28,686,600	23,587,800	−1,783,300	+515,700
1,021,600	700,500	321,100	−354,400	884,900	172,200	1,057,100	703,300	353,800	−318,900	+35,500
3,519,300	3,519,300	...	−213,100	3,498,900	80,300	3,579,200	3,579,200	...	−153,200	+59,900
57,900	57,900	...	−191,900	71,300	...	71,300	71,300	...	−178,500	+13,400
405,600	33,500	372,100	+8,900	408,900	...	408,900	34,200	374,700	+12,200	+3,300
291,700	29,000	262,700	+4,600	304,200	...	304,200	28,900	275,300	+17,100	+12,500
132,200	4,900	127,300	+5,100	140,100	...	140,100	4,900	135,200	+13,000	+7,900
138,900	...	138,900	−18,300	150,900	...	150,900	...	150,900	−6,300	+12,000
258,800	6,700	252,100	+2,700	274,900	...	274,900	6,400	268,500	+18,800	+16,100
86,900	1,300	85,600	+8,500	86,300	600	86,900	1,200	85,700	+8,500	...
65,500	7,700	57,800	−3,600	71,300	...	71,300	9,400	61,900	+2,200	+5,800
103,900	12,800	91,100	+38,300	95,900	900	96,800	10,900	85,900	+31,200	−7,100
1,483,500	95,900	1,387,600	+46,200	1,532,500	1,500	1,534,000	95,900	1,438,100	+96,700	+50,500
207,300	143,900	63,400	+2,700	155,800	34,000	189,800	127,400	62,400	−14,800	−17,500
98,300	45,200	53,100	+8,300	96,000	...	96,000	43,700	52,300	+6,000	−2,300
71,700	71,700	...	+5,000	...	...	...	...	...	−66,700	−71,700
382,300	207,200	175,100	+11,900	283,400	14,000	297,400	115,900	181,500	−73,000	−84,900
759,600	468,000	291,600	+27,900	535,200	48,000	583,200	287,000	296,200	−148,500	−176,400
35,639,700	35,632,100	7,600	−2,094,000	35,341,300	400	35,341,700	35,333,700	8,000	−2,392,000	−298,000
19,754,700	*19,747,600*	*7,100*	+72,000	*19,913,100*	...	*19,913,100*	*19,906,700*	*6,400*	−84,400	−158,400
685,700	*685,700*	...	−44,000	*488,200*	...	*488,200*	*488,200*	...	+153,500	+197,500
15,199,300	15,198,800	500	−2,066,000	14,940,000	400	14,940,400	14,938,800	1,600	−2,324,900	−258,900
69,000	69,000	...	+4,600	21,400	67,500	88,900	88,900	...	+24,500	+19,900
15,268,300	15,267,800	500	−2,061,400	14,961,400	67,900	15,029,300	15,027,700	1,600	−2,300,400	−239,000
2,750,000	1,120,300	1,629,900	+88,500	2,769,200	...	2,769,200	1,175,800	1,593,400	+107,500	+19,000
1,697,200	917,000	780,200	+75,800	1,742,900	...	1,742,900	940,500	802,400	+121,500	+45,700
259,200	89,500	169,700	−17,000	283,200	...	283,200	105,300	177,900	+7,000	+24,000
4,706,600	2,126,800	2,579,800	+147,300	4,795,300	...	4,795,300	2,221,600	2,573,700	+236,000	+88,700
266,400	45,000	221,400	+27,000	256,100	...	256,100	42,200	213,900	+16,700	−10,300
1,031,000	1,031,000	...	−38,500	662,900	301,700	964,600	964,600	...	−104,900	−66,400
120,500	120,500	...	−2,300	83,500	27,000	110,500	110,500	...	−12,300	−10,000
1,151,500	1,151,500	...	−40,800	746,400	328,700	1,075,100	1,075,100	...	−117,200	−76,400
89,200	89,200	...	−4,600	68,200	...	68,200	68,200	...	−25,600	−21,000
75,000	75,000	...	−5,000	77,000	...	77,000	77,000	...	−3,000	+2,000
1,315,700	1,315,700	...	−50,400	891,600	328,700	1,220,300	1,220,300	...	−145,800	−95,400
...	−2,491,800	+2,491,800	...	...	...	...	−2,285,100	+2,285,100	...	...
80,157,600	49,929,200	30,228,400	−4,921,800	79,701,600	698,600	80,400,200	49,650,000	30,750,200	−4,679,200	+242,600

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1913-1914.					REVISED
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Direct Demands on the Revenues—							
1.—Refunds and Drawbacks	336,142	...	**336,142**	226,418	109,724	377,900	...
2.—Assignments and Compensations	1,241,101	...	**1,241,101**	548,566	692,535	1,276,500	...
Charges in respect of Collection, *viz.* :—							
3.—Land Revenue	3,984,693	1,729	**3,986,422**	293,917	3,692,505	3,954,100	1,800
4.—Opium (including cost of Production)	1,011,696	744	**1,012,440**	1,012,440	...	657,200	600
5.—Salt (including cost of Production)	364,580	793	**365,373**	365,373	...	367,100	1,500
6.—Stamps	66,598	106,545	**173,143**	92,182	80,961	52,700	61,000
7.—Excise	437,433	96	**437,529**	140,082	297,447	462,200	400
9.—Customs	260,818	434	**261,252**	261,252	...	268,600	600
10.—Assessed Taxes	31,254	...	**31,254**	15,748	15,506	33,000	...
11.—Forest	1,169,575	4,913	**1,174,488**	76,146	1,098,342	1,237,100	4,700
12.—Registration	255,453	...	**255,453**	1,832	253,621	261,600	...
Total	9,159,343	115,254	**9,274,597**	3,033,956	6,240,641	8,948,000	70,600
Interest—							
13.—Interest on Debt	3,421,622	5,912,796	**9,334,418**	8,452,492	881,926	3,673,300	6,078,000
Deduct—Amounts chargeable to Railways†	*3,596,912*	*3,706,233*	***7,303,145***	*7,303,145*	...	*4,007,500*	*3,635,000*
„ Amounts chargeable to Irrigation	*1,186,167*	*118,679*	***1,304,840***	*642,590*	*662,256*	*1,246,000*	*120,600*
Remainder chargeable on Ordinary Debt	−1,361,457	2,087,884	**726,427**	506,757	219,670	−1,580,200	2,322,400
14.—Interest on other obligations	789,226	...	**789,226**	789,226	...	738,700	...
Total	−572,231	2,087,884	**1,515,653**	1,295,983	219,670	−841,500	2,322,400
15.—Posts and Telegraphs	3,005,156	267,828	**3,272,984**	3,272,984	...	3,070,300	219,800
17.—Mint	122,066	10,564	**132,630**	132,630	...	129,900	9,500
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,593,108	390,539	**1,983,647**	1,108,784	874,863	1,661,300	408,700
19.—Law and Justice { Courts	3,088,001	159	**3,088,160**	75,581	3,012,579	3,287,700	1,300
19.—Law and Justice { Jails	982,746	157	**982,903**	131,893	851,010	1,009,300	...
20.—Police	4,863,360	1,630	**4,864,990**	244,764	4,620,226	5,239,400	1,200
21.—Ports and Pilotage	204,426	200	**204,626**	200	204,426	212,600	100
22.—Education	3,166,426	10,383	**3,176,809**	120,566	3,056,243	3,231,400	10,300
23.—Ecclesiastical	127,564	148	**127,712**	127,712	...	127,300	400
24.—Medical	1,329,616	8,319	**1,337,935**	138,561	1,199,374	1,533,400	6,400
25.—Political	1,144,044	15,146	**1,159,190**	917,642	241,548	1,130,100	24,000
26A.—Agriculture	533,682	1,257	**534,939**	83,991	450,948	568,000	2,500
26B.—Scientific and Miscellaneous Departments	439,759	33,529	**473,288**	339,537	133,751	443,300	40,100
Total	17,472,732	461,467	**17,934,199**	3,289,231	14,644,968	18,443,800	495,000
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	209,531	11,189	**220,720**	220,720	...	205,800	10,600
28.—Civil Furlough and Absentee Allowances	1,280	450,326	**451,606**	451,606	...	900	360,000
29.—Superannuation Allowances and Pensions	1,344,840	2,054,647	**3,399,487**	2,167,018	1,232,469	1,443,900	2,058,000
30.—Stationery and Printing	624,448	105,308	**729,756**	214,117	515,639	647,800	118,100
32.—Miscellaneous	555,875	46,360	**602,235**	346,334	255,901	402,500	152,900
Total	2,735,974	2,667,830	**5,403,804**	3,399,795	2,004,009	2,700,900	2,699,600
Famine Relief and Insurance—							
33.—Famine Relief	157,511	...	**157,511**	157,511	...	289,900	...
34.—Construction of Protective Railways	7,835	741	**8,576**	8,576	...	−1,500	...
35.—Construction of Protective Irrigation Works	475,267	16,157	**491,424**	491,424	...	482,500	19,000
36.—Reduction or Avoidance of Debt	342,489	...	**342,489**	92,489	250,000	210,100	...
Total	983,102	16,898	**1,000,000**	750,000	250,000	981,000	19,000
Carried over	32,906,142	5,627,725	**38,533,867**	15,174,579	23,359,288	33,432,400	5,835,900

	ACCOUNTS, 1913-1914.			REVISED ESTIMATE, 1914-1915.		
	India.	England.	Total.	India.	England.	Total.
†Included under the following heads :—	£	£	£	£	£	£
State Railways—Interest on Debt	3,357,109	3,530,733	**6,887,842**	3,991,100	3,553,800	**7,544,900**
Ditto —Interest chargeable against Companies on Advances	239,803	175,500	**415,303**	16,400	81,200	**97,600**
Total	3,596,912	3,706,233	**7,303,145**	4,007,500	3,635,000	**7,642,500**

Revenues of India, in India and in England.

ESTIMATE, 1914-1915.			Increase + Decrease − as compared with Budget Estimate, 1914-1915.	BUDGET ESTIMATE, 1915-1916.					Increase + Decrease − of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease − of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
377,900	268,400	109,500	+68,300	316,500	...	**316,500**	220,400	96,100	+6,900	−61,400
1,276,500	560,400	716,100	+38,400	1,286,200	...	**1,286,200**	563,700	722,500	+48,100	+9,700
3,955,900	317,100	3,638,800	−227,300	4,121,400	1,300	**4,122,700**	342,100	3,780,600	−60,500	+166,800
657,800	657,800	...	−600	912,500	400	**912,900**	912,900	...	+254,500	+255,100
368,600	368,600	...	−22,700	390,100	900	**391,000**	391,000	...	−300	+22,400
113,700	42,000	71,700	−37,900	59,200	92,000	**151,200**	76,400	74,800	−400	+37,500
462,600	144,600	318,000	−23,900	491,900	200	**492,100**	153,600	338,500	+5,600	+29,500
269,200	269,200	...	−4,300	275,500	300	**275,800**	275,800	...	+2,300	+6,600
33,000	16,800	16,200	+500	34,500	...	**34,500**	17,500	17,000	+2,000	+1,500
1,241,800	82,900	1,158,900	−106,500	1,287,400	4,900	**1,292,300**	96,800	1,195,500	−56,000	+50,500
261,600	1,900	259,700	−6,400	264,100	...	**264,100**	1,800	262,300	−3,900	+2,500
9,018,600	2,729,700	6,288,900	−322,400	9,439,300	100,000	**9,539,300**	3,052,000	6,487,300	+198,300	+520,700
9,751,300	8,833,200	918,100	+175,900	3,926,700	6,092,300	**10,019,000**	9,086,900	932,100	+443,600	+267,700
7,642,500	*7,642,500*	...	−251,800	*4,099,400*	*3,666,300*	***7,765,700***	*7,765,700*	...	−374,500	−123,200
1,366,600	*684,600*	*682,000*	−1,800	*1,301,100*	*122,200*	***1,423,300***	*722,400*	*700,900*	−58,500	−56,700
742,200	506,100	236,100	−77,200	−1,473,800	2,303,800	**830,000**	598,800	231,200	+10,600	+87,800
738,700	738,700	...	−49,700	646,100	...	**646,100**	646,100	...	−142,300	−92,600
1,480,900	1,244,800	236,100	−126,900	−827,700	2,303,800	**1,476,100**	1,244,900	231,200	−131,700	−4,800
3,290,100	3,290,100	...	−59,900	3,127,300	167,100	**3,294,400**	3,294,400	...	−55,600	+4,300
139,400	139,400	...	+35,100	94,700	7,300	**102,000**	102,000	...	−2,300	−37,400
2,070,000	1,154,600	915,400	+68,800	1,654,300	365,200	**2,019,500**	1,105,400	914,100	+18,300	−50,500
3,289,000	87,000	3,202,000	+148,600	3,312,300	700	**3,313,000**	82,700	3,230,300	+172,600	+24,000
1,009,300	138,000	871,300	+49,700	1,009,800	...	**1,009,800**	136,400	873,400	+50,200	+500
5,240,600	265,300	4,975,300	+37,400	5,361,000	1,300	**5,362,300**	267,300	5,095,000	+159,100	+121,700
212,700	100	212,600	−7,200	215,400	100	**215,500**	100	215,400	−4,400	+2,800
3,241,700	125,900	3,115,800	−758,200	3,385,500	9,300	**3,394,800**	125,100	3,269,700	−605,100	+153,100
127,700	127,700	...	−7,200	135,000	300	**135,300**	135,300	...	+400	+7,600
1,539,800	158,200	1,381,600	−345,200	1,484,900	5,100	**1,490,000**	191,100	1,298,900	−395,000	−49,800
1,154,100	930,400	223,700	+9,900	1,150,700	5,600	**1,156,300**	928,000	228,300	+12,100	+2,200
570,500	65,000	505,500	−35,600	606,900	2,000	**608,900**	70,200	538,700	+2,800	+38,400
483,400	342,900	140,500	−15,200	464,600	37,800	**502,400**	346,600	155,800	+3,800	+19,600
18,938,800	3,395,100	15,543,700	−854,200	18,780,400	427,400	**19,207,800**	3,388,200	15,819,600	−585,200	+269,000
216,400	216,400	...	−5,800	207,200	10,600	**217,800**	217,800	...	−4,400	+1,400
360,900	360,900	...	−72,400	900	83,000	**3,900**	83,900	...	−349,400	−277,000
3,501,900	2,174,000	1,327,900	+52,300	1,484,500	2,059,000	**3,543,500**	2,175,200	1,368,300	+93,900	+41,600
765,900	234,900	531,000	+46,200	650,600	103,100	**753,700**	211,600	542,100	+34,000	−12,200
555,400	332,400	223,000	−69,500	477,800	43,700	**521,500**	216,000	305,500	−103,400	−33,900
5,400,500	3,318,600	2,081,900	−49,200	2,821,000	2,299,400	**5,120,400**	2,904,500	2,215,900	−329,300	−280,100
289,900	1 3,800	106,100	−8,600	7,100	...	**7,100**	7,100	...	−291,400	−282,800
−1,500	−1,500	...	−1,600	...	...	...	...	...	−100	+1,500
501,500	501,500	...	+1,600	483,500	16,500	**500,000**	500,000	...	+100	−1,500
210,100	15,000	195,100	+8,600	492,900	...	**492,900**	328,200	164,700	+291,400	+282,800
1,000,000	698,800	301,200	...	983,500	16,500	**1,000,000**	835,300	164,700	...	...
39,268,300	14,816,500	24,451,800	−1,377,500	34,418,500	5,321,500	**39,740,000**	14,821,300	24,918,700	−905,800	+471,700

BUDGET ESTIMATE, 1915-1916.		
India.	England.	Total.
£	£	£
4,081,700	3,585,100	**7,666,800**
17,700	81,200	**98,900**
4,099,400	3,666,300	**7,765,700**

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1913-1914.					REVISED	
	India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Brought forward	32,906,142	5,627,725	**38,533,867**	15,174,579	23,359,288	33,432,400	5,835,900
Railways—							
38.—State Railways: Interest on Debt	3,357,109	3,530,733	**6,887,842**	6,887,842	...	3,991,100	3,553,800
Annuities in purchase of Railways	...	3,379,581	**3,379,581**	3,379,581	...	...	3,357,700
Sinking Funds	...	191,707	**191,707**	191,707	...	...	199,400
Interest chargeable against Companies on Advances	239,803	175,500	**415,303**	415,303	...	16,400	81,200
Interest on Capital deposited by Companies	229,839	1,722,577	**1,952,416**	1,952,416	...	56,000	1,932,300
40.—Subsidised Companies: Land, etc.	55,146	...	**55,146**	52,587	2,559	114,000	...
41.—Miscellaneous Railway Expenditure	—45,894	...	**—45,894**	—45,863	—31	52,800	...
TOTAL	3,836,003	9,000,098	**12,836,101**	12,833,573	2,528	4,230,300	9,124,400
Irrigation—							
42.—Major Works: Working Expenses	1,214,429	14	**1,214,443**	551,539	662,904	1,276,400	...
Interest on Debt	1,186,167	118,679	**1,304,846**	642,590	662,256	1,246,000	120,600
42A.—Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	83,689	...	**83,689**	83,689	...	66,800	...
43.—Minor Works and Navigation	927,733	1,156	**928,889**	295,099	633,790	1,032,300	300
TOTAL	3,412,018	119,849	**3,531,867**	1,572,917	1,958,950	3,621,500	120,900
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	1,414	...	**1,414**	...	1,414	1,600	...
45.—Civil Works	6,907,440	101,184	**7,008,624**	1,058,800	5,949,824	6,922,600	86,400
TOTAL	6,908,854	101,184	**7,010,038**	1,058,800	5,951,238	6,924,200	86,400
Military Services—							
46.—Army: Effective	13,903,995	2,638,876	**16,542,871**	16,542,871	...	14,685,400	2,380,800
Non-Effective	730,495	2,515,873	**3,246,368**	3,246,368	...	736,000	2,524,000
	14,634,490	5,154,749	**19,789,239**	19,789,239	...	15,421,400	4,904,800
46A.—Marine	255,703	257,142	**512,845**	512,845	...	240,400	215,300
47.—Military Works	905,607	41,690	**947,297**	947,297	...	977,400	39,600
47A.—Special Defences (1902)	7,148	9,236	**16,384**	16,384	...	10,500	13,000
TOTAL	15,802,948	5,462,817	**21,265,765**	21,265,765	...	16,649,700	5,172,700
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	62,865,965	20,311,673	**83,177,638**	51,905,634	31,272,004	64,858,100	20,340,300
Add—Portion of Allotments to Provincial Governments not spent by them in the year	325,692	...	**325,692**	...	325,692	...	...
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	*608,578*	...	***608,578***	...	*608,578*	*2,255,000*	...
Total Expenditure charged to Revenue	62,583,079	20,311,673	**82,894,752**	51,905,634	30,989,118	62,603,100	20,340,300

	ACCOUNTS, 1913-1914.		
	India.	England.	TOTAL.
Capital Expenditure not charged to Revenue—	£	£	£
48.—State Railways	7,484,613	2,998,587	**10,483,200**
49.—Irrigation Works	1,223,467	58,795	**1,282,262**
TOTAL	8,708,080	3,057,382	**11,765,462**
51.—Initial Expnditure on new Capital at Delhi	410,723	36,411	**447,134**

Revenues of India, in India and in England—*continued.*

ESTIMATE, 1914-1915			Increase + Decrease − as compared with Budget Estimate, 1914-1915.	BUDGET ESTIMATE, 1915-1916.					Increase + Decrease − of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease − of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
39,268,300	14,816,500	24,451,800	−1,377,500	34,418,500	5,321,500	**39,740,000**	14,821,300	24,918,700	−905,800	+471,700
7,544,900	7,544,900	...	+497,400	4,081,700	3,585,100	**7,666,800**	7,666,800	...	+619,300	+121,900
3,357,700	3,357,700	...	...	...	3,357,700	**3,357,700**	3,357,700	...	...	...
199,400	199,400	...	...	...	208,100	**208,100**	208,100	...	+8,700	+8,700
97,600	97,600	...	−246,100	17,700	81,200	**98,900**	98,900	...	−244,800	+1,300
1,988,300	1,988,300	...	−199,300	66,900	2,186,400	**2,253,300**	2,253,300	...	+65,700	+265,000
114,000	113,300	700	−80,300	201,100	...	**201,100**	200,000	1,100	+6,800	+87,100
52,800	52,800	...	−26,000	53,600	...	**53,600**	53,600	...	−25,200	+800
13,354,700	13,354,000	700	−54,300	4,421,000	9,418,500	**13,839,500**	13,838,400	1,100	+430,500	+484,800
1,276,400	596,700	679,700	+27,000	1,271,400	...	**1,271,400**	596,100	675,300	+22,000	−5,000
1,366,600	684,600	682,000	+1,800	1,301,100	122,200	**1,423,300**	722,400	700,900	+58,500	+56,700
66,800	66,800	...	+33,300	...	...	...	...	...	−33,500	−66,800
1,032,600	319,800	712,800	+28,900	956,100	...	**956,100**	317,700	638,400	−47,600	−76,500
3,742,400	1,667,900	2,074,500	+91,000	3,528,600	122,200	**3,650,800**	1,636,200	2,014,600	−600	−91,600
1,600	...	1,600	−300	1,300	...	**1,300**	...	1,300	−600	−300
7,009,000	1,054,200	5,954,800	−445,600	5,792,600	21,200	**5,813,800**	921,700	4,892,100	−1,640,800	−1,195,200
7,010,600	1,054,200	5,956,400	−445,900	5,793,900	21,200	**5,815,100**	921,700	4,893,400	−1,641,400	−1,195,500
17,066,200	17,066,200	...	+25,900	14,794,500	1,907,100	**16,701,600**	16,701,600	...	−338,700	−364,600
3,260,000	3,260,000	...	−5,500	1,039,100	2,233,000	**3,272,100**	3,272,100	...	+6,600	+12,100
20,326,200	20,326,200	...	+20,400	15,833,600	4,140,100	**19,973,700**	19,973,700	...	−332,100	−352,500
455,700	455,700	...	−49,200	234,900	415,500	**650,400**	650,400	...	+145,500	+194,700
1,017,000	1,017,000	...	−5,400	726,300	18,000	**744,300**	744,300	...	−278,100	−272,700
23,500	23,500	...	−9,500	14,600	6,500	**21,100**	21,100	...	−11,900	−2,400
21,822,400	21,822,400	...	−43,700	16,809,400	4,580,100	**21,389,500**	21,389,500	...	−476,600	−432,900
85,198,400	52,715,000	32,483,400	−1,830,400	64,971,400	19,463,500	**84,434,900**	52,607,100	31,827,800	−2,593,900	−763,500
...	...	...	...	...	...	...	...	...	+2,128,300	+1,177,400
2,255,000	...	*2,255,000*	+950,900	*1,077,600*	...	*1,077,600*	...	*1,077,600*		
82,943,400	52,715,000	30,228,400	−879,500	63,893,800	19,463,500	**83,357,300**	52,607,100	30,750,200	−465,600	+413,900

REVISED ESTIMATE, 1914-1915.			BUDGET ESTIMATE, 1915-1916.		
India.	England.	Total.	India.	England.	Total.
£	£	£	£	£	£
8,116,600	2,434,100	**10,550,700**	6,187,500	1,450,200	**7,637,700**
1,103,100	60,000	**1,163,100**	1,061,000	39,000	**1,100,000**
9,219,700	2,494,100	**11,713,800**	7,248,500	1,489,200	**8,737,700**
305,500	57,900	**363,400**	183,200	83,500	**266,700**

C.—Statement of Receipts and Disbursements of the

	Accounts, 1913-1914.			Revised Estimate, 1914-1915.			Budget Estimate, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	84,350,557	856,618	85,207,175	79,498,000	659,600	80,157,600	79,701,600	698,600	80,400,200
Excess of Revenue over Expenditure charged to Revenue			**2,312,423**			**-2,785,800**			**-2,957,100**
Railway, Irrigation, and other Capital not charged to Revenue—									
Capital raised through Companies towards outlay on State Railways	34,667	...	34,667	2,367,500	...	2,367,500	6,533,300	...	6,533,300
Capital contributed by Native States towards construction of State Railways	200,000	...	200,000	66,700	...	66,700	66,700	...	66,700
Outlay of Railway Companies—									
Repayments	...	5,637	5,637	...	19,400	19,400	...	2,400	2,400
Net			**0**			**0**			**0**
Raised and Deposited by Railway Companies—									
On account of Subscribed Capital	164,692	4,832,788	4,997,480	486,700	1,557,300	2,044,000	320,600	1,996,600	2,317,200
Net			**4,717,480**			**2,044,000**			**320,600**
Permanent Debt Incurred—									
Sterling Debt—									
India Stock	...	...		...	...		...	...	
Rupee Debt—									
Rupee Loan	2,000,000	...		3,333,300	...		3,000,000	...	
Total	2,000,000	...	2,000,000	3,333,300	...	3,333,300	3,000,000	...	3,000,000
Net			**118,209**			**2,727,200**			**2,008,700**
Temporary Debt Incurred—									
Temporary Loans	...	...	...	8,333,300	7,000,000	15,333,300	...	7,000,000	7,000,000
Net			**0**			**14,333,300**			**0**
Unfunded Debt—									
Deposits of Service Funds	89,541	...		88,300	...		88,700	...	
Savings Bank Deposits	8,783,483	...		7,466,300	...		6,414,200	...	
Total	8,873,024	...	8,873,024	7,554,600	...	7,554,600	6,502,900	...	6,502,900
Net			**2,201,970**			**0**			**0**
Deposits and Advances—									
Balances of Provincial Allotments	325,692	...		...	...		...	...	
Appropriation for Reduction or Avoidance of Debt	342,489	...		210,100	...		492,900	...	
Deposits of Local Funds—									
District Funds	5,260,391	...		5,210,400	...		4,784,800	...	
Other Funds	1,343,956	...		1,285,900	...		1,229,900	...	
Deposits of Sinking Funds	43,825	...		59,000	...		61,000	...	
Gold Standard Reserve	4,286,872	9,728,845		3,000	10,021,200		...	7,963,500	
Departmental and Judicial Deposits—									
War transactions	...	...		2,740,300	...		681,000	...	
Other „	30,205,951	...		30,413,100	...		29,934,200	...	
Advances	5,600,420	16,536		6,897,500	975,400		8,130,400	1,094,700	
Suspense Accounts	87,499	...		77,600	...		16,200	...	
Miscellaneous	37,632	56		110,200	...		2,900	...	
Total	47,534,727	9,745,437	57,280,164	47,007,100	10,996,600	58,003,700	45,333,300	9,058,200	54,391,500
Net			**67,762**			**0**			**0**
* Carried over	143,157,667	15,440,480		148,647,200	20,232,900		141,458,400	18,755,800	

Government of India, in India and in England.

	Accounts, 1913-1914.			Revised Estimate, 1914-1915.			Budget Estimate, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	62,835,965	20,311,673	83,177,638	64,858,100	20,340,300	85,198,400	64,971,400	19,463,500	84,434,900
Add—Provincial Surpluses transferred to "Deposits"	325,692	...	325,692	...	...	...	...	...	...
Deduct—Provincial Deficits charged to "Deposits"	*608,578*	...	*608,578*	*2,255,000*	...	*2,255,000*	*1,077,600*	...	*1,077,600*
Total	62,583,079	20,311,673	82,894,752	62,603,100	20,340,300	82,943,400	63,893,800	19,463,500	83,357,300
Railway, Irrigation, and other Capital not charged to Revenue—									
Outlay on Irrigation Works	1,223,467	58,795	1,282,262	1,103,100	60,000	1,163,100	1,061,000	39,000	1,100,000
Outlay on State Railways	7,484,613	2,998,587	10,483,200	8,116,600	2,434,100	10,550,700	6,187,500	1,450,200	7,637,700
Initial expenditure on new Capital at Delhi	410,723	36,411	447,134	305,500	57,900	363,400	183,200	83,500	266,700
Outlay of Railway Companies—Payments for Capit Outlay	214,823	1,793,117	2,007,940	— 50,700	1,552,200	1,501,500	—526,700	1,212,800	686,100
Net			**2,002,303**			**1,482,100**			**683,700**
Raised and deposited by Railway Companies—Payments for Discharge of Debentures	...	280,000	280,000	...	...	...	...	1,996,600	1,996,600
Net			**0**			**0**			**0**
Permanent Debt Discharged—									
Sterling Debt—									
Madras Railway Debentures	...	170,000		...	...		...	...	
Indian Midland do.	...	1,111,200		...	...		...	407,500	
India Bonds	...	500,000		...	500,000		...	500,000	
Rupee Debt—									
4½ p. c. Loans	1,293	...		...	...		...	...	
4 p. c. Loans	81,047	...		103,500	...		80,700	...	
3½ p. c. Loans	...	...		100	...		100	...	
3 p. c. Loans	18,253	...		2,500	...		2,900	...	
Provincial Debentures	7	...		...	...		100	...	
Total	100,600	1,781,200	1,881,800	106,100	500,000	606,100	83,800	907,500	991,300
Net			**0**			**0**			**0**
Temporary Debt Discharged—									
Temporary Loans	...	...	...	1,000,000	...	1,000,000	...	7,000,000	7,000,000
Net			**0**			**0**			**0**
Unfunded Debt—									
Special Loans	213	...		200	...		200	...	
Deposits of Service Funds	93,096	...		95,900	...		97,400	...	
Savings Bank Deposits	6,577,745	...		12,529,400	...		6,625,200	...	
Total	6,671,054	...	6,671,054	12,625,500	...	12,625,500	6,722,800	...	6,722,800
Net			**0**			**5,070,900**			**219,900**
Deposits and Advances—									
Balances of Provincial Allotments	608,578	...		2,255,000	...		1,077,600	...	
Deposits of Local Funds—									
District Funds	4,388,070	...		5,218,200	...		5,122,700	...	
Other Funds	1,268,258	...		1,393,200	...		1,213,900	...	
Deposits of Sinking Funds	...	...		...	...		...	...	
Gold Standard Reserve	4,300,000	10,709,547		25,200	10,038,000		...	7,967,500	
Departmental and Judicial Deposits—									
War transactions	...	...		691,700	...		1,685,000	...	
Other „	29,782,270	...		30,682,900	...		29,980,500	...	
Advances	5,893,406	76,878		7,062,300	1,016,500		8,137,100	1,091,000	
Suspense Accounts	163,303	...		36,400	...		10,300	...	
Exchange on Remittance Account (net)	190	...		...	...		...	...	
Miscellaneous	21,879	23		...	...		...	...	
Total	46,425,954	10,786,448	57,212,402	47,364,900	11,054,500	58,419,400	47,227,100	9,058,500	56,285,600
Net			**0**			**415,700**			**1,894,100**
Carried over	125,114,313	38,046,231		133,174,100	35,999,000		124,832,500	41,211,600	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1913-1914.			Revised Estimate, 1914-1915.			Budget Estimate, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	143,157,667	15,440,480		148,647,200	20,232,900		141,458,400	18,755,800	
Loans and Advances by Imperial Government	377,694	...	377,694	198,400	...	198,400	185,000	...	185,000
Net			213,183			0			0
Loans and Advances by Provincial Governments	1,082,099	...	1,082,099	1,448,200	...	1,448,200	1,576,200	...	1,576,200
Net			0			0			405,000
Loans to Local Boards for Railway Construction	7,124	...	7,124	7,400	...	7,400	7,700		7,700
Net			7,124			7,400			7,700
Remittances—									
Inland Money Orders	37,604,247	...		38,666,700	...		39,966,700	...	
Other Local Remittances	...	...		5,981,500	...		4,355,500	...	
Other Departmental Accounts	21,301	...		...	...		...	...	
Net Receipts by Civil Treasuries from—									
Posts and Telegraphs	985,361	...		...	...		...	...	
Railways	14,486,413	...		11,087,000	...		11,753,000	...	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs	...	...		6,063,400	...		1,265,700	...	
Marine	247,052	...		4,999,700	...		3,463,900	...	
Military Works	736,861	...		933,300	...		610,300	...	
Military	13,323,625	...		16,848,500	...		18,651,700	...	
Remittance Account between England and India—									
Gold remitted from India	...	...		...	604,800		...	...	
Transfers through Paper Currency Reserve	...	...		...	1,000,000		...	...	
War transactions	...	...		570,000	9,373,000		823,000	9,086,000	
Purchase of Silver	4,528,611	...		...	...		...	...	
Railway transactions	5,008,020	8,855		4,617,900	2,358,500		3,078,600	7,016,500	
Other „	939,722	2,150,713		981,800	1,243,500		1,157,000	1,269,000	
Total	77,931,213	2,159,568	80,090,781	90,749,800	14,579,800	105,329,600	85,125,400	17,371,500	102,496,900
Net			0			0			705,700
Secretary of State's Bills drawn	...	(b) 29,050,827	29,050,827	...	(e) 6,900,000	6,900,000	...	7,100,000	7,100,000
Total Receipts	222,555,797	46,650,875		241,051,000	41,712,700		228,352,700	43,227,300	
Opening Balance	19,293,131	(a) 9,789,634		15,608,253	(c) 8,157,732		13,855,353	(d) 7,620,132	
GRAND TOTAL	241,848,928	56,440,509		256,659,253	49,870,432		242,208,053	50,847,432	

(a) Of this amount £1,005,664 represents the funds of the Gold Standard Reserve.
(c) „ £24,962 „ „ „ „ „
(e) In addition to £600,000 for remittance of the Gold Standard Reserve.

Delhi,
Finance Department,
March 22, 1915.

R. A. GAMBLE,
Comptroller General.

Government of India, in India and in England—*continued.*

	Accounts, 1913-1914.			Revised Estimate, 1914-1915.			Budget Estimate, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	125,114,313	38,046,231		133,174,100	35,999,000		124,832,500	41,211,600	
Loans and Advances by Imperial Government	164,511	...	164,511	203,100	...	203,100	338,700	...	338,700
Net			**0**			**4,700**			**153,700**
Loans and Advances by Provincial Governments	1,880,036	...	1,880,036	1,579,800	...	1,579,800	1,171,200	...	1,171,200
Net			**797,937**			**131,600**			**0**
Remittances—									
Inland Money Orders	37,532,110	...		38,700,000	...		39,966,700	...	
Other Local Remittances	448,415	...		5,981,500	...		4,355,500	...	
Other Departmental Accounts	12	...		...	...		...	...	
Net Payments into Civil Treasuries by—									
Posts and Telegraphs	992,064	...		...	...		...	...	
Railways	14,823,021	...		11,287,000	...		11,753,000	...	
Net Issues from Civil Treasuries to—									
Posts and Telegraphs	...	...		6,063,400	...		1,265,700	...	
Marine	247,345	...		4,999,700	...		3,463,900	...	
Military Works	737,178	...		933,300	...		610,300	...	
Military	13,323,472	...		16,848,500	...		18,651,700	...	
Remittance Account between England and India—									
Gold remitted from India	...	...		604,800	...		...	...	
Transfers through Paper Currency Reserve	...	...		1,000,000	...		...	...	
War transactions	...	...		11,096,600	570,000		8,389,000	823,000	
Purchase of Silver	555	4,528,056		...	...		...	...	
Railway transactions	920	5,016,044		2,325,200	4,651,200		6,500,000	3,595,100	
Other „	1,925,966	692,446		1,349,700	1,030,100		1,216,600	1,200,700	
Total	70,031,058	10,236,546	80,267,604	101,189,700	6,251,300	107,441,000	96,172,400	5,618,800	101,791,200
Net			**176,823**			**2,111,400**			**0**
Secretary of State's Bills paid	(b) 29,050,757	...	29,050,757	(e) 6,657,200	...	6,657,200	7,260,000	...	7,260,000
Total Disbursements	226,240,675	48,282,777		242,803,900	42,250,300		229,774,800	46,830,400	
Closing Balance	15,608,253	(c) 8,157,732		13,855,353	(d) 7,620,132		12,433,253	(f) 4,017,032	
GRAND TOTAL	241,848,928	56,440,509		256,659,253	49,870,432		242,208,053	50,847,432	

(*b*) In addition to £2,150,000 for remittance of the Gold Standard Reserve.
(*d*) Of this amount £8,162 represents the funds of the Gold Standard Reserve.
(*f*) „ £4,162 „ „ „ „

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

D.—Statement of Revenue, Expenditure and Balances of Provincial Governments.

	Accounts, 1913-14.	Revised, 1914-15.	Budget, 1915-16.
	R	R	R
Madras—			
Balance on April 1st	8,58 879	1,75,60,000	98,08,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	31,33 500	24,67,000	24,50,000
Other revenue	7,26 09,014	7,29,95,000	7,40.19,000
Total Expenditure	8,10,40,925	8,32,14,000	7,80,33,000
Closing Balance	1,75,60,468	98,08,000	82,44,000
Bombay—			
Balance on April 1st	1,79,75,519	1,95,34,000	1,54,28,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	20,78,000	20,88,000	20,80,000
Other revenue	7,71,51,211	7,26,71,000	7,28,20,000
Total Expenditure	7,76,70,645	7,88,65,000	7,71,77,000
Closing Balance	1,95,34,085	1,54,28,000	1,31,51,000
Bengal—			
Balance on April 1st	3,13,30,270	3,18,11,000	2,81,31,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	34,81,000	44,92,000	34,90,000
Other revenue	5,86 60,472	5,75,14,000	5,83,17,000
Total Expenditure	6,16,60,630	6,56,86,000	6,58,29,000
Closing Balance	3,18,11,112	2,81,31,000	2,41,09,000
United Provinces—			
Balance on April 1st	1,84,23,473	1,84,74,000	1,50,91,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	23,41,600	24,22,000	22,27,000
Other revenue	6,56,64,396	6,34,56,000	6,53,15,000
Total Expenditure	6,79,55,292	6,92,61,000	6,90,25,000
Closing Balance	1,84,74,177	1,50,91,000	1,36,08,000
Punjab—			
Balance on April 1st	1,77,84,102	70,92,000*	53,97,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	14,11,000	16,84,000	13,55,000
Other revenue	4,47,31,340	4,59,66,000	4,73,51,000
Total Expenditure	4,68,34,852	4,93,45,000	4,91,64,000
Closing Balance	1,70,91,590	53,97,000	49,39,000
Burma—			
Balance on April 1st	1,30,22,199	1,39,36,000	84,13,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	11.82,000	24,92,000	9,92,000
Other revenue	5,49,63,223	5,16,45,000	5,58,50.000
Total Expenditure	5,52,31,197	5,96,60,000	5,82,27,000
Closing Balance	1,39,36,225	84,13,000	70,28,000
Bihar and Orissa—			
Balance on April 1st	2,00,84,199	1,91,64,000	1,56,13,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	24,56,000	14,64,000	14,61,000
Other revenue	2,81,83,313	2,85,97,000	2,92,33,000
Total Expenditure	3,15,59,375	3,36,12,000	3,40,03,000
Closing Balance	1,91,64,137	1,56,13,000	1,23,04,000
Central Provinces—			
Balance on April 1st	90,72,033	1,09,53,000	95,15,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	10,34,000	9,29,000	9,14,000
Other revenue	2,96,49,750	2,82,94,000	2,83,73,000
Total Expenditure	2,88,02,505	3,06,61,000	2,98,52,000
Closing Balance	1,09,53,278	95,15,000	89,50,000
Assam—			
Balance on April 1st	78,06,494	55,89,000	28,93,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	5,12,500	4,48,000	4,48,000
Other revenue	1,55,94,449	1,38,03,000	1,45,59,000
Total Expenditure	1,83,24,640	1,69,47,000	1,61,07,000
Closing Balance	55,88,803	28,93,000	17,93,000
Total—			
Balance on April 1st	15,83,57,168	14,41,13,000*	11,02,89,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	1,76,29,600	1,84,86,000	1,54,17,000
Other revenue	44,72.07,168	43,49,41,000	44,58,37,000
Total Expenditure	46,90,80,061	48,72,51,000	47,74,17,000
Closing Balance	15,41,13,875	11,02,89,000	9,41,26,000
Total (in sterling)—	£	£	£
Balance on April 1st	10,557,144	9,607,600*	7,352,600
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	1,175,307	1,232,400	1,027,800
Other revenue	29,813,811	28,996,000	29,722,400
Total Expenditure	31,272,004	32,483,400	31,827,800
Closing Balance	10,274,258	7,352,600	6,275,000

* The figure here given for the opening Provincial balance of 1914-15 differs from that given for the closing Provincial balance of 1913-14 owing to the surrender by the Government of the Punjab of R1 crore of its balance in lieu of a recurring contribution from Imperial revenues of R3,50,000 per annum with effect from 1st April 1914.

R. A. GAMBLE, *Comptroller General.*

H. F. HOWARD, *Controller of Currency.*

J. B. BRUNYATE, *Secy. to the Govt. of India.*

DELHI,
FINANCE DEPARTMENT;
March 22, 1915.

E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England.

REVENUE AND EXPENDITURE.	ACCOUNTS, 1913-1914.					REVISED ESTIMATE, 1914-1915.		BUDGET ESTIMATE, 1915-1916.	
	Revenue.	Expenditure. Refunds and Assignments.	Expenditure. Cost of Collection and Production.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Revenue Heads.	£	£	£	£	£	£	£	£	£
Principal Heads of Revenue — Land Revenue (excluding that due to Irrigation)	21,391,575	770,094	3,986,422	16,635,059		16,304,500		17,217,900	
Opium	1,624,878	6,090	1,012,440	606,348		903,000		831,500	
Salt	3,445,305	262,804	365,373	2,817,128		3,134,300		2,681,500	
Stamps	5,318,293	58,173	173,143	5,086,977		4,869,500		4,896,400	
Excise	8,894,300	103,523	437,529	8,353,248		8,237,100		8,197,000	
Provincial Rates	180,210	522	...	179,688		36,800		30,400	
Customs	7,558,220	147,374	261,252	7,149,594		5,921,200		5,527,400	
Assessed Taxes	1,950,250	13,478	31,254	1,905,518		1,958,000		1,829,600	
Forest	2,229,872	9,936	1,174,488	1,045,448		746,500		816,500	
Registration	518,962	986	255,453	262,523		229,600		247,900	
Tributes	616,881	204,263	...	412,618		399,600		409,000	
TOTAL	53,728,746	1,577,243	7,697,354	44,454,149		42,740,100		42,735,100	
Total deduction from Revenue		9,274,597							
Expenditure Heads.									
Debt Services — Interest	1,352,119	1,515,653			163,534		459,300		419,000
Commercial Services — Posts and Telegraphs	3,598,519	3,272,984		325,535		229,200		284,800	
Railways	17,625,634	12,836,101		4,789,533		1,913,600		1,189,800	
Irrigation	4,713,159	3,531,867		1,181,292		964,200		1,144,500	
Other Public Works — Civil Works, etc.	298,640	7,010,038			6,711,398		6,744,200		5,559,000
Mint — Mint	339,841	132,630		207,211			81,500		30,700
Civil Departments — Civil Departments	1,408,286	17,934,199			16,525,913		17,455,300		17,673,800
Miscellaneous Civil Services — Superannuation	206,810	3,399,487			3,192,677		3,294,600		3,353,700
Exchange	119,741	...		119,741		71,700			
Miscellaneous	352,612	602,235			249,623		173,100		224,100
Other heads	93,416	1,402,082			1,308,666		1,244,900		959,400
Famine Relief and Insurance — Famine Relief	...	157,511			157,511		289,900		7,100
Other heads	...	842,489			842,489		710,100		992,900
Military Services — Army — Effective	1,080,631	16,542,871			15,462,240		16,035,200		15,737,000
Army — Non-effective	122,875	3,246,368			3,123,493		3,139,500		3,161,600
Marine	89,542	512,845			423,303		366,500		582,200
Military works	76,604	947,297			870,693		942,000		667,300
Special Defences (1902)	...	16,384			16,384		23,500		21,100
TOTAL	85,207,175	83,177,638		2,029,537			5,040,800		4,034,700
Provincial Adjustment — Surplus		...							
Deficit		282,886		282,886		2,255,000		1,077,600	
TOTAL	85,207,175	82,894,752		2,312,423			2,785,800		2,957,100
Capital Account — Surplus				2,312,423					
Deficit							2,785,800		2,957,100
Railway and Irrigation Capital not charged to Revenue:—									
Capital raised through Companies towards outlay on State Railways				34,667		2,367,500		6,533,300	
Capital contributed by Native States towards construction of State Railways				200,000		66,700		66,700	
Capital raised and deposited by Railway Companies (net)				4,717,480		2,044,000		320,600	
Outlay on Irrigation Works					1,282,262		1,163,100		1,100,000
Outlay on State Railways					10,483,200		10,550,700		7,637,700
Initial outlay on new Capital at Delhi					447,134		363,400		266,700
Outlay of Railway Companies (net)					2,002,303		1,482,100		683,700
Debt, Deposits, Advances, and Remittances — Permanent Debt (net)				118,200		2,727,200		2,008,700	
Temporary Debt (net)						14,333,300			
Unfunded Debt (net)				2,201,970			5,070,900		219,900
Loans and Advances by Imperial Government (net)				213,183			4,700		153,700
Loans and Advances by Provincial Governments (net)					797,937		131,600	405,000	
Loans to Local Boards for Railway Construction (net)				7,124		7,400		7,700	
Deposits and Advances (net)				67,762			415,700		1,894,100
Remittances (net)					176,823		2,111,400	705,700	
Secretary of State's Bills drawn				29,050,827		6,900,000		7,100,000	
Secretary of State's Bills paid					29,050,757		6,657,200		7,260,000
				38,923,636	44,240,416	28,446,100	30,736,600	17,147,700	22,172,900
Cash Balance — Opening Balance				29,082,765		23,765,985		21,475,485	
Closing Balance					23,765,985		21,475,485		16,450,285
TOTAL				68,006,401	68,006,401	52,212,085	52,212,085	38,623,185	38,623,185

R. A. GAMBLE,
Comptroller General.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT
March 22, 1915.

MEMORANDUM EXPLAINING THE DETAILS OF THE ESTIMATES.

Introductory.

1. In this memorandum the variations between the Budget and the Revised estimates of the current year, and between the latter and the Budget estimates of next year, are explained in detail for the Major heads of account. Under most of the heads details by provinces have been given, and it may be explained that the figures shown against "India General" represent the transactions of the Central Government, including all expenditure directly controlled by it, of the minor administrations of Ajmer-Merwara and Coorg, and of the convict settlement in the Andamans. The Budget estimates of Provincial and "Divided" expenditure in 1915-16 generally represent the allotments proposed by the several Governments and Administrations with whom regular provincial settlements have been concluded. More detailed information regarding the figures will be found in the Financial Statements presented by the Local Governments to their respective Councils.

2. The figures for the province of Delhi have been entered separately and explained under each major head of account. A *pro formâ* account of expenditure on Delhi and the Delhi province is also appended to this memorandum (appendix I), together with a prefatory note explaining the scope of the *pro formâ* account and the relation between it and the regular accounts.

General results.

3. The broad totals of revenue and expenditure for the last year, the current year and the ensuing year, are as follows:—

	Accounts, 1913-1914.
	£
Revenue	85,207,175
Expenditure charged to Revenue	82,894,752
Imperial surplus	2,312,423

	Revised, 1914-1915.
	£
Revenue	80,157,600
Expenditure charged to Revenue	82,943,400
Imperial deficit	2,785,800

	Budget, 1915-1916.
	£
Revenue	80,400,200
Expenditure charged to Revenue	83,357,300
Imperial deficit	2,957,100

These figures exclude all capital, debt, and remittance transactions.

Accounts, 1913-14.

4. The accounts of 1913-14 are not discussed in this memorandum, but according to our usual practice in the past a brief explanation is given below of the principal divergences between the Revised estimates of revenue and expenditure as submitted to the Council twelve months ago, and the actual accounts of the year as closed, audited and compiled by the Comptroller and Auditor-General.

5. The broad results are brought out in the following table :—

	Revised, 1913-14.			Actuals, 1913-14.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
	£	£	£	£	£	£
Revenue . . .	53,777,100	30,707,500	84,484,600	54,218,100	30,989,100	85,207,200
Expenditure . . .	52,290,400	31,309,200	83,599,600	51,905,600	31,272,000	83,177,600
Surplus (+) or Deficit (−)	+1,486,700	−601,700	+885,000	+2,312,500	−282,900	+2,029,600

6. The Imperial revenue proved to be £441,000 higher, and the Imperial expenditure £384,800 less, than the Revised estimate, with the result that the surplus was £825,800 larger than was anticipated. The principal items contributing to this improvement are mentioned below. The Customs revenue showed a rise of £189,800, owing mainly to heavier imports of silver in March and to a higher yield from the import and excise duties on cotton manufactures. The net receipts of Railways improved by £107,200. The effect of the unfavourable conditions of agriculture in Northern India on the earnings of railways in March was less marked than had been anticipated, and there was an increase of £412,100 in the Gross Receipts on the North Western, Bombay, Baroda and Central India, and certain other lines; but this improvement was largely counterbalanced by an increase of £304,900 in Working Expenses chiefly in consequence of the adjustment of the value of certain stores issued for renewals on the Great Indian Peninsula Railway. There was an increase of £115,900 in the Imperial share of Land Revenue including the portion due to Irrigation, mainly owing to an advance collection in Bombay of revenue which was expected to be realized in April. The net Military expenditure was less than the Revised estimate by £123,300, chiefly in consequence of smaller expenditure on food charges in India and on the purchase of stores in England. There was also a decrease of £130,400 in the miscellaneous charges of Railways. The improvement in the Provincial section occurred mainly under Land and other Revenue.

Authors of Memorandum.

7. Paragraphs 191 to 217 of this Memorandum have been communicated by the Honourable Mr. W. H. Michael, Financial Adviser, Military Finance, and paragraphs 152 to 162 and 226 to 229 by Mr. H. N. Heseltine, Accountant General, Railways; the rest of the Memorandum has been drafted by Mr. Bhupendra Nath Mitra, C.I.E., Assistant Secretary in the Finance Department.

I AND 3.—LAND REVENUE.

REVENUE.

(Including the portion due to Irrigation.)

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	7,11,075	7,85,460	7,26,582	6,96,000	7,21,000	7,63,000
2. Delhi	...	2,01,652	3,53,143	3,53,000	3,53,000	3,56,000
3. Baluchistan	9,51,489	9,60,621	10,40,110	9,50,000	10,40,000	10,37,000
4. North-West Frontier	21,48,843	21,71,162	21,57,652	22,48,000	22,75,000	23,09,000
5. Other Provinces	7,06,376	12,88,478	19,79,133	25,61,000	19,58,000	22,42,000
Total	45,17,783	54,07,373	62,56,620	68,08,000	63,47,000	67,07,000
Divided and Provincial.						
1. Central Provinces	1,85,87,860	1,82,94,753	1,87,22,197	1,93,83,000	1,82,56,000	2,05,24,000
2. Burma	4,18,73,511	4,53,42,149	4,65,26,001	4,61,80,000	4,26,43,000	4,66,00,000
3. Assam	...	77,90,288	78,86,558	80,00,000	74,50,000	80,40,000
4. Bengal (new)	...	2,73,57,194	2,71,19,880	2,76,40,000	2,69,22,000	2,73,57,000
5. Bihar and Orissa	...	1,50,80,571	1,53,28,723	1,52,00,000	1,50,60,000	1,53,52,000
6. United Provinces	6,60,96,192	6,71,00,937	6,08,30,926	6,29,18,000	6,43,00,000	6,92,22,000
7. Punjab	3,47,90,786	3,74,20,500	3,70,43,558	3,90,59,000	3,89,29,000	3,96,45,000
8. Madras	6,70,19,897	6,88,13,775	6,79,52,486	7,00,64,000	6,77,36,000	7,03,89,000
9. Bombay	4,94,05,849	4,97,03,142	5,84,72,294	5,41,81,000	5,36,60,000	5,45,51,000
Eastern Bengal and Assam	2,03,12,357	...	...	...	...	...
Bengal (old)	2,91,38,198	...	...	...	...	...
Total	32,72,24,650	33,69,03,309	33,98,82,623	34,26,25,000	33,49,56,000	35,16,80,000
TOTAL REVENUE ₹	33,17,42,433	34,23,10,682	34,61,39,243	34,94,33,000	34,13,03,000	35,83,87,000
Shown under I.—Land Revenue ₹	31,14,70,456	31,92,37,015	32,08,73,629	32,51,12,000	31,58,45,000	33,22,44,000
Shown under XXIX.—Irrigation ₹	2,02,71,977	2,30,73,667	2,52,65,614	2,43,21,000	2,54,58,000	2,61,43,000
Equivalent of total Revenue in Sterling £	22,116,162	22,820,713	23,075,949	23,295,500	22,753,500	23,892,500
Shown under I.—Land Revenue £	20,764,697	21,282,468	21,391,575	21,674,100	21,056,300	22,149,600
Shown under XXIX.—Irrigation £	1,351,465	1,538,245	1,684,374	1,621,400	1,697,200	1,742,900

EXPENDITURE.

Imperial.						
1. India General	4,02,758	3,99,524	4,06,460	3,98,000	4,10,000	4,15,000
2. Delhi	...	31,474	92,143	1,00,000	1,03,000	1,01,000
3. Baluchistan	2,39,346	2,43,275	2,34,196	2,38,000	2,25,000	1,99,000
4. North-West Frontier	6,03,664	6,11,662	6,20,763	6,78,000	6,41,000	6,97,000
5. Other Provinces	26,72,719	27,54,266	30,29,266	37,00,000	33,50,000	37,00,000
Total	39,18,487	40,40,201	43,82,828	51,14,000	47,29,000	51,12,000
Divided and Provincial.						
1. Central Provinces	39,07,629	38,38,802	40,18,749	40,53,000	41,41,000	42,59,000
2. Burma	68,23,955	69,83,737	70,06,631	71,83,000	70,13,000	73,45,000
3. Assam	...	13,91,912	15,26,750	16,72,000	15,98,000	17,50,000
4. Bengal (new)	...	32,36,127	34,40,775	35,33,000	35,75,000	36,66,000
5. Bihar and Orissa	...	23,51,303	24,53,629	26,63,000	25,38,000	25,10,000
6. United Provinces	86,42,061	87,45,672	88,65,404	96,67,000	91,58,000	97,99,000
7. Punjab	48,02,974	47,73,501	49,09,849	49,49,000	49,99,000	52,90,000
8. Madras	1,29,37,965	1,42,09,160	1,46,94,474	1,49,02,000	1,26,11,000	1,30,70,000
9. Bombay	82,72,746	84,24,139	84,71,319	89,93,000	89,50,000	90,20,000
Eastern Bengal and Assam	33,30,750	...	...	...	...	...
Bengal (old)	41,29,707	...	...	...	...	...
Total	5,28,47,787	5,39,54,353	5,53,87,580	5,76,15,000	5,45,83,000	5,67,09,000
TOTAL INDIA ₹	5,67,66,274	5,79,94,554	5,97,70,408	6,27,29,000	5,93,12,000	6,18,21,000
Equivalent in Sterling £	3,784,418	3,866,304	3,984,693	4,181,900	3,954,100	4,121,400
England £	2,036	1,725	1,729	1,300	1,800	1,300
TOTAL EXPENDITURE £	3,786,454	3,868,029	3,986,422	4,183,200	3,955,900	4,122,700

8. The Imperial expenditure shown against "Other Provinces" in the table at page 21 represents the cost of survey and record-of-right operations on a large scale in Bengal and in Bihar and Orissa, undertaken more for administrative than for fiscal purposes. The expenditure is of a temporary and varying character and was accordingly not considered suitable for inclusion in the financial settlements with the two provinces. Three-fourths of the charges are eventually recovered from landlords and tenants for the protection of whose rights the operations are primarily undertaken; and the recoveries are shown in the table as Imperial revenue against "Other Provinces."

REVENUE.

(*a*) *Wholly Imperial.*

Revised, 1914-15. 9. The Revised estimate for 1914-15 is less than the Budget by R4·61 lakhs, the decline being mainly due to the postponement of the recovery of survey and settlement charges in Bengal and in Bihar and Orissa. Provision for the recovery of the suspended revenue has been made in the Budget estimate for 1915-16, and this mainly accounts for the increase of R3·60 lakhs in the latter over the Revised estimate for the current year. *Budget, 1915-16.*

(*b*) *Divided and wholly Provincial.*

Revised, 1914-15. 10. The total collections in 1914-15 are likely to fall short of the Budget estimate by R76·69 lakhs. The decline is shared by all the provinces, with the exception of the United Provinces, and is due chiefly to the economic depression which has resulted from the war, as well as to the damage done to the crops in certain districts in Madras, Bihar and elsewhere by a deficient or excessive rainfall. There will be a large shortage of R35·37 lakhs in Burma, where both the rice trade and the mining industry have been affected by the European war, while the crops in certain districts have suffered from floods or excessive rainfall; of R23·28 lakhs in Madras, due mainly to the unfavourable character of the season in certain districts; of R11·27 lakhs in the Central Provinces, where the need for remissions and suspensions consequent on the partial failure of last year's spring crops has proved larger than had been anticipated; and of R7·18 lakhs in Bengal, mainly in consequence of smaller collections from Government estates in the eastern districts owing to the slackness in the jute trade. In the United Provinces alone, a large improvement of R13·82 lakhs is expected over the Budget estimate, the excellent harvests of the current year having made it possible to recover a larger portion of the outstanding arrears than was anticipated.

Budget, 1915-16. 11. The total Budget for 1915-16 exceeds the Revised estimate for 1914-15 by R167·24 lakhs. The estimates have been framed, as usual, on the basis of normal monsoon conditions in the ensuing year, and they provide generally for some recovery from the depression of the current year. Important increases over the Revised estimate of the current year are assumed, in the United Provinces (R49·22 lakhs), Burma (R39·57 lakhs), Madras (R26·53 lakhs), the Central Provinces (R22·68 lakhs), Bombay (R8·91 lakhs), and the Punjab (R7·16 lakhs), in consequence of a growth in the revenue demand, the absence of the special remissions and suspensions required in the current year and a larger recovery of outstanding arrears.

EXPENDITURE.

(*a*) *Wholly Imperial.*

Revised, 1914-15. 12. The saving of R3·85 lakhs in the Budget grant of 1914-15 is chiefly due to lapses in the provision for survey and settlement expenditure in Bengal and in Bihar and Orissa. The increase (R3·83 lakhs) in the Budget estimate for 1915-16 over the Revised for the current year also occurs mostly in the same item of expenditure. *Budget, 1915-16.*

(b) Divided and wholly Provincial.

Revised, 1914-16.

13. The Revised estimate for the current year is taken at R30·32 lakhs less than the Budget estimate. The bulk of the reduction occurs in Madras (R22·91 lakhs) and is chiefly due to a change in the method of distribution of the charges of district administration and of certain village services in the Presidency between this head and the heads "Law and Justice—Courts of Law" and "Police." A considerable saving of R5·09 lakhs is expected in the United Provinces, owing mainly to the non-utilisation of the provision made in the Budget for the revision of pay of clerical establishments. Some lapses in Budget grants are also expected in the other provinces, but in the Central Provinces, Bengal, and the Punjab they will be more than counterbalanced by the additional expenditure resulting from the recall from leave of officers of the Indian Civil Service, and the payment of grain compensation allowance in the last-named province.

Budget, 1915-16.

14. The total Budget estimate for 1915-16 is R21·26 lakhs higher than the Revised for the current year. The increase is distributed over all the provinces, with the exception of Bihar and Orissa. A general factor contributing to the excess is that the estimates have been framed on the assumption that the restrictions which have recently been imposed on the grant of leave out of India will remain in operation during the whole of the ensuing year. Provision has accordingly been made in all the provinces for the full sanctioned scale of the Indian Civil Service and also for the continued operation of the temporary time-scale rates of minimum pay recently sanctioned for members of the Service; but the resultant increase in expenditure is more than counterbalanced in Bihar and Orissa by a reduction in the grant for survey and settlement operations, and is obscured in some of the other provinces by retrenchments in other directions. Provision has again been made in the United Provinces for the scheme for the revision of pay of clerical establishments; and special allotments have been made in the Punjab for the revision of clerical establishment and for the creation of a new district, and in Madras for the revision of pay of certain village establishments.

II AND 4.—OPIUM.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
INDIA.						
Revenue—						
Bengal—Sale of Opium	7,48,64,728	4,98,05,735	1,91,92,177	2,24,40,000	1,86,98,000	2,22,78,000
Bombay—Pass and Auction Fees	1,03,99,105	2,20,99,645	4,12,500	...	...	...
Excise Opium and other Revenue	41,55,337	49,63,493	47,68,501	51,46,000	47,94,000	46,92,000
TOTAL ₹	8,94,19,170	7,68,68,873	2,43,73,178	2,75,86,000	2,34,92,000	2,69,70,000
Equivalent in Sterling £	5,961,278	5,124,592	1,624,878	1,839,100	1,566,100	1,798,000
Expenditure—						
Purchase of Opium, including payments to Cultivators	93,34,254	76,70,577	1,39,32,608	85,09,000	86,01,000	1,23,91,000
Other Charges	15,83,522	13,20,747	12,42,832	13,60,000	12,58,000	12,97,000
TOTAL INDIA ₹	1,09,17,776	89,91,324	1,51,75,440	98,69,000	98,59,000	1,36,88,000
Equivalent in Sterling £	727,852	599,422	1,011,696	657,900	657,200	912,500
ENGLAND.						
Miscellaneous Charges £	1,600	307	744	500	600	400
TOTAL £	729,452	599,729	1,012,440	658,400	657,800	912,900
Statistics—						
Bengal—						
Chests sold Certificated	(a)26,860	4,690	...	...	...	...
Chests sold Uncertificated		13,200	9,070	13,200	11,780	13,480
Average price Certificated	₹2,787	₹5,098	...	...	...	...
Average price Uncertificated		₹1,963	2,116	₹1,700	₹1,587	₹1,653
Chests produced	15,000	14,000	7,000	...	12,000	...
Chests in Balance, March 31	20,708	16,817	14,747	...	14,967	...
Reserve, December 31	11,018	6,118	11,117	4,917	6,269	4,611
Bombay—						
Chests passed for export	7,362	10,881	...	...	...	...
Rate of duty (Government share)	₹600, ₹800 and ₹900	₹900	...	...	...	...
Government share of auction proceeds	₹14,88,000	₹1,18,02,000	...	...	...	...

(a) Inclusive of 100 chests supplied to the Government of the Straits Settlements in March 1911, the price of which was realised in 1911-12.

REVENUE.

(1) *Bengal Opium.*

Revised, 1914-15.

15. The Budget estimate for 1914-15 provided for the sale of 13,200 chests of Bengal opium at an average price of ₹1,700 per chest for export to non-China markets. The opium market was much disturbed in the months following the outbreak of war; and in the monthly sale in August, an average price of ₹1,212 only was realized. Though there was an improvement in price in the subsequent months as a result of the decision not to sell opium below a fixed price of ₹1,600 a chest, the number of chests offered was not sold in full in the sales from September to January. Taking into account

opium supplied to the Governments of the Straits Settlements and Hong Kong and sold in England for medical purposes, it is expected that about 11,800 chests will be disposed of in the current year, the proceeds amounting to R186·98 lakhs.

16. The amount of opium notified for sale by auction in 1915-16 was based on the usual standard of 13,200 chests after deducting the expected requirements of the Straits Settlements which are now directly supplied by the Government of India. The demands of the latter have been temporarily reduced, but this is more than counterbalanced by an anticipated demand for the supply of opium to the home markets for medical purposes. A slightly better average rate than that obtained in the current year is also expected. The Budget estimate of revenue from Bengal opium is accordingly taken at R222·78 lakhs. *Budget, 1915-16.*

(2) *Excise Opium and other Revenue.*

17. The fall of R3·52 lakhs in the revenue in the current year as compared with the Budget estimate, and the further decline of R1·02 lakhs anticipated in 1915-16 as compared with the Revised estimate for the current year, are mainly due to a fall in the consumption of opium in India following on the economic depression which has resulted from the war. Only the cost of production of opium so consumed is credited under this head, the difference between the actual price of issue and the cost of production forming an item of excise revenue. *Revised, 1914-15.* *Budget, 1915-16.*

EXPENDITURE.

18. The total Revised estimate for 1914-15 does not differ materially from the Budget, a saving of R1·02 lakhs in the grant for establishments and incidental expenditure being nearly counterbalanced by an increase in the outlay on the purchase of opium. The Budget estimate for 1915-16 includes a special provision for purchases in Malwa to supplement the supply of Bengal opium. *Revised, 1914-15.* *Budget, 1915-16.*

III AND 5.—SALT.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
REVENUE.						
Northern India (*a*)	1,14,69,735	1,19,34,460	1,19,33,135	1,19,00,000	1,44,58,000	1,00,00,000
Burma (*b*)	22,07,835	21,19,131	22,24,656	22,50,000	22,70,000	22,00,000
Assam	...	1,246	897	1,000	1,000	1,000
Bengal (new) (*b*)	...	1,18,85,280	1,30,41,436	1,29,00,000	1,40,00,000	1,32,00,000
Bihar and Orissa	...	1,329	1,314	2,000	1,000	1,000
Madras (*a*)	1,07,48,794	1,10,73,645	1,11,65,670	1,12,00,000	1,15,50,000	1,16,30,000
Bombay (*a*)	1,38,43,414	1,30,00,514	1,33,12,469	1,33,00,000	1,43,00,000	1,30,00,000
Eastern Bengal (*b*)	12,49,966	...	...	...	...	...
Bengal (*b*)	1,13,48,436	...	...	...	...	...
TOTAL ₹	5,08,68,180	5,00,15,605	5,16,79,577	5,15,53,000	5,65,80,000	5,00,32,000
Equivalent in Sterling £	3,391,212	3,334,374	3,445,305	3,436,900	3,772,000	3,335,400
CHARGES.						
Establishment charges	41,61,308	43,04,413	43,77,303	44,87,000	44,10,000	44,53,000
Cost of salt purchased by Government	13,55,102	12,95,619	10,91,399	13,69,000	10,96,000	13,99,000
Total India ₹	55,16,410	56,00,032	54,68,702	58,56,000	55,06,000	58,52,000
Equivalent in Sterling £	367,761	373,335	364,580	390,400	367,100	390,100
England £	729	673	793	900	1,500	900
TOTAL £	368,490	374,008	365,373	391,300	368,600	391,000
Total Consumption Mds.	4,75,50,000	4,72,63,000	4,83,05,000	4,82,80,000	5,09,70,000	4,65,00,000

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported Salt.

REVENUE.

Revised, 1914-15. 19. The Revised estimate for 1914-15 exceeds the Budget by ₹50·27 lakhs. The increase is mostly due to speculative clearances and replenishment of stock, as well as to advance payment of revenue, in the expectation of an enhancement of the salt duty. The abnormal circumstances which have inflated the revenue in the current year will, however, tend to depress it in the ensuing year, and the Budget estimate for 1915-16 has been taken at ₹65·48 lakhs less than the Revised estimate for 1914-15.

Budget, 1915-16.

EXPENDITURE.

Revised, 1914-15. 20. The total Revised estimate for the current year is less than the Budget by ₹3·41 lakhs. The bulk of the decrease is due to a lapse in the grant for the purchase of salt from private manufacturers, mainly in Madras. A saving of ₹·77 lakh is also expected in establishment charges, owing chiefly to the non-utilisation of the provision for the reorganization of the Salt and Excise departments in Bihar and Orissa.

Budget, 1915-16. 21. The Budget estimate for 1915-16 exceeds the Revised of the current year by ₹3·36 lakhs. The increase is mostly due to a higher provision for the purchase of local salt in Madras and elsewhere to meet increased demands, resulting from the war, on the part of provinces which have hitherto depended on foreign salt.

IV AND 6.—STAMPS.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	3,99,058	4,20,034	4,46,004	4,25,000	4,24,000	4,34,000
2. Delhi	...	1,44,745	3,06,098	3,07,000	3,32,000	3,18,000
3. Baluchistan	90,832	90,039	99,961	92,000	88,000	93,000
4. North-West Frontier	5,69,412	5,89,353	6,67,211	7,25,000	6,13,000	6,10,000
TOTAL	10,59,302	12,44,171	15,19,274	15,49,000	14,57,000	14,55,000
Divided.						
1. Central Provinces	33,60,466	37,14,485	39,39,587	39,75,000	36,34,000	36,51,000
2. Burma	36,71,210	36,07,651	36,19,029	35,50,000	33,50,000	33,50,000
3. Assam	...	13,02,212	13,99,197	15,00,000	14,18,000	15,00,000
4. Bengal (new)	...	2,07,43,853	2,19,10,831	2,23,00,000	2,02,00,000	2,03,00,000
5. Bihar and Orissa	...	65,88,385	67,62,790	68,00,000	67,00,000	68,00,000
6. United Provinces	1,09,90,235	1,14,90,127	1,19,51,748	1,19,00,000	1,17,00,000	1,20,00,000
7. Punjab	52,57,021	55,23,437	56,24,557	56,00,000	55,00,000	56,00,000
8. Madras	1,27,25,416	1,36,15,386	1,41,67,616	1,46,30,000	1,37,70,000	1,38,50,000
9. Bombay	76,63,815	82,07,019	88,79,758	87,70,000	79,50,000	81,00,000
Eastern Bengal and Assam.	1,11,61,673	...	...	...	...	...
Bengal (old)	1,63,37,802	...	...	...	...	...
TOTAL	7,11,67,638	7,47,92,555	7,82,55,113	7,90,25,000	7,42,22,000	7,51,51,000
TOTAL REVENUE ₹	7,22,26,940	7,60,36,726	7,97,74,387	8,05,74,000	7,56,79,000	7,66,06,000
Distribution of Total Revenue :—						
Court Fees and Plain Paper	4,88,85,517	5,06,05,217	5,27,70,185	5,30,00,000	5,13,46,000	5,23,14,000
Commercial and other stamps	2,22,91,676	2,43,06,491	2,56,19,186	2,62,18,000	2,30,70,000	2,30,97,000
Other Revenue	10,49,747	11,25,018	13,85,016	13,56,000	12,63,000	11,95,000
Equivalent of total revenue in Sterling £	4,815,129	5,069,115	5,318,293	5,371,600	5,045,300	5,107,100

EXPENDITURE.

Imperial.						
1. India General :—						
(*i*) Superintendence and other charges	2,19,860	2,79,790	2,51,270	2,57,000	2,50,000	2,48,000
(*ii*) Credits for value of stamps supplied to Local Governments and administrations and to the Postal and Telegraph Departments.	—18,18,808	—17,65,054	—17,15,604	—17,36,000	—16,37,000	—16,33,000
2. Delhi	...	3,875	6,659	6,000	7,000	7,000
3. Baluchistan	1,340	1,393	1,432	1,000	1,000	1,000
4. North-West Frontier	21,953	22,966	26,391	26,000	22,000	24,000
TOTAL	—15,75,655	—14,57,030	—14,29,852	—14,46,000	—13,57,000	—13,53,000
Divided.						
1. Central Provinces	1,26,550	1,24,034	1,29,551	1,35,000	1,35,000	1,30,000
2. Burma	1,02,695	1,02,919	1,01,592	1,07,000	1,01,000	1,08,000
3. Assam	...	54,143	59,383	60,000	52,000	53,000
4. Bengal (new)	...	7,07,370	7,23,132	7,52,000	5,51,000	6,05,000
5. Bihar and Orissa	...	2,12,628	2,15,483	2,45,000	1,88,000	1,96,000
6. United Provinces	2,74,466	2,90,303	3,16,617	3,06,000	2,47,000	2,51,000
7. Punjab	1,76,897	1,82,948	1,91,685	1,76,000	1,84,000	1,91,000
8. Madras	4,48,473	4,95,075	4,46,089	4,82,000	4,50,000	4,64,000
9. Bombay	2,27,638	2,39,063	2,45,299	2,46,000	2,40,000	2,43,000
Eastern Bengal and Assam	4,44,942	...	...	...	...	...
Bengal (old)	4,37,871	...	...	...	...	...
TOTAL	22,39,532	24,08,483	24,28,831	25,09,000	21,48,000	22,41,000
TOTAL INDIA. ₹	6,63,877	9,51,453	9,98,979	10,63,000	7,91,000	8,88,000
Equivalent in Sterling £	44,259	63,430	66,598	70,900	52,700	59,200
England £	89,931	90,468	106,545	80,700	61,000	92,000
TOTAL EXPENDITURE £	134,190	153,898	173,143	151,600	113,700	151,200

REVENUE.

(a) *Wholly Imperial.*

Revised, 1914-15. 22. The total Revised estimate for 1914-15 is less than the Budget by R·92 lakh. The bulk of the reduction occurs in the revenue from judicial stamps in the North-West Frontier Province. *Budget, 1915-16* The total Budget for 1915-16 does not differ materially from the Revised estimate of the current year.

(b) *Divided.*

Revised, 1914-15. 23. The total revenue in 1914-15 is likely to fall short of the Budget estimate by R48·03 lakhs. The heavy decline, which is shared by all the provinces and is largest in Bengal, reflects the disturbance of trade and business that has resulted from the European war. The revenue from non-judicial stamps is expected to fall off by over R31 lakhs, while there will be a decline of about R16 lakhs in the revenue from court-fee stamps.

Budget, 1915-16. 24. The Budget for 1915-16 provides for a moderate recovery in revenue in all provinces, and is taken at R9·29 lakhs higher than the Revised estimate for 1914-15. Nearly the whole of the improvement is anticipated in the revenue from judicial stamps.

EXPENDITURE.

25. The cost of all stamps and stamp paper supplied from England is charged under this head, and an adjustment is made in India transferring to Posts and Telegraphs the cost of stamps used for postal and telegraph purposes. Similarly the cost of revenue stamps supplied to Local Governments and Administrations is debited to them in the Provincial section of the accounts by *per contra* credit in the Imperial section under this head. The credits on both these accounts are shown against item 1 (ii) under Expenditure in the table on page 27.

(a) *Wholly Imperial including outlay in England.*

Revised, 1914-15. 26. The Revised estimate for 1914-15 is less than the Budget by R2·06 lakhs, while the grant for 1915-16 is R4·69 lakhs higher than the Revised estimate for the current year. *Budget, 1915-16.* These variations occur mostly in the outlay in England on the purchase of stamps.

(b) *Divided.*

Revised, 1914-15. 27. The Revised estimate for 1914-15 is R3·61 lakhs less than the Budget provision. The decrease is due partly to the fall in revenue and partly to a reduction in the cost of stamps and stamp paper. The increase in expenditure *Budget, 1915-16.* provided in the Budget for 1915-16 is a necessary concomitant of the anticipated improvement in revenue.

V AND 7.—EXCISE.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	15,46,244	16,15,369	16,52,238	16,22,000	16,14,000	15,87,000
2. Delhi	...	1,32,024	2,70,569	2,64,000	2,88,000	2,95,000
3. Baluchistan	2,74,294	2,79,253	2,79,743	2,72,000	2,77,000	2,65,000
4. North-West Frontier	3,16,143	4,04,055	3,50,113	3,50,000	3,70,000	3,33,000
Total	21,36,681	24,30,701	25,52,663	25,08,000	25,49,000	24,80,000
Divided and wholly Provincial.						
1. Central Provinces	91,12,523	1,06,04,485	1,16,24,099	1,16,00,000	1,10,00,000	1,06,16,000
2. Burma	72,96,647	81,15,928	83,42,572	84,00,000	86,93,000	78,10,000
3. Assam	...	48,52,038	52,58,690	53,50,000	53,93,000	55,03,000
4. Bengal (new)	...	1,37,59,045	1,53,88,578	1,58,00,000	1,55,00,000	1,60,00,000
5. Bihar and Orissa	...	1,03,85,670	1,12,60,115	1,16,32,000	1,16,00,000	1,19,00,000
6. United Provinces	1,11,31,787	1,25,95,095	1,33,03,687	1,29,00,000	1,24,00,000	1,25,00,000
7. Punjab	64,00,303	70,11,862	69,13,580	74,38,000	69,52,000	70,45,000
8. Madras	3,00,64,174	3,31,86,831	3,65,11,075	3,91,00,000	3,64,50,000	3,64,00,000
9. Bombay	2,02,94,345	2,12,27,132	2,22,59,446	2,27,00,000	2,16,00,000	2,16,00,000
Eastern Bengal and Assam	82,81,696	...	...	...	...	...
Bengal (old)	1,94,28,129	...	...	...	...	...
Total	11,20,09,604	12,17,38,086	13,08,61,842	13,49,20,000	12,95,88,000	12,93,74,000
TOTAL REVENUE ₹	11,41,46,285	12,41,68,787	13,34,14,505	13,74,28,000	13,21,37,000	13,18,54,000
Equivalent in Sterling £	7,609,753	8,277,919	8,894,300	9,161,900	8,809,100	8,790,300

EXPENDITURE.

Imperial.						
1. India General	1,42,048	98,244	98,545	89,000	1,00,000	1,04,000
2. Delhi	...	2,380	6,232	7,000	6,000	7,000
3. Baluchistan	10,471	12,814	11,655	21,000	15,000	15,000
4. North-West Frontier	14,602	13,372	12,929	24,000	14,000	23,000
Total	1,67,121	1,26,810	1,29,361	1,41,000	1,35,000	1,49,000
Divided and wholly Provincial.						
1. Central Provinces	2,89,952	3,18,868	3,46,508	4,27,000	4,43,000	5,71,000
2. Burma	11,92,968	12,59,119	12,68,898	13,14,000	12,76,000	13,00,000
3. Assam	...	1,11,964	1,14,400	1,15,000	1,20,000	1,18,000
4. Bengal (new)	...	5,97,657	6,25,743	8,77,000	7,41,000	8,02,000
5. Bihar and Orissa	...	5,20,700	5,50,017	6,61,000	5,71,000	6,19,000
6. United Provinces	3,92,403	4,11,688	4,34,532	4,36,000	4,52,000	4,82,000
7. Punjab	1,71,360	1,85,191	1,85,580	2,48,000	2,15,000	2,49,000
8. Madras	17,83,536	18,16,745	18,20,840	18,97,000	18,29,000	19,16,000
9. Bombay	10,57,043	10,79,785	10,85,613	11,81,000	11,51,000	11,72,000
Eastern Bengal and Assam	3,21,032	...	...	...	...	...
Bengal (old)	9,11,723	...	...	...	...	...
Total	61,20,017	63,01,717	64,32,131	71,56,000	67,98,000	72,29,000
Total India ₹	62,87,138	64,28,527	65,61,492	72,97,000	69,33,000	73,78,000
Equivalent in Sterling £	419,142	428,568	437,433	486,500	462,200	491,900
England £	111	3	96	...	400	200
TOTAL EXPENDITURE £	419,253	428,571	437,529	486,500	462,600	492,100

REVENUE.

(a) *Wholly Imperial.*

28. The figures do not show any important variation.

(b) *Divided and wholly Provincial.*

Revised, 1914-15. 29. The total Revised estimate for 1914-15 is less than the Budget by no less than R53·32 lakhs. The heavy decline is due to the set-back in prosperity and the rise in food prices which have followed on the war. It is shared by all the provinces, with the exception of Burma, where the licence fees for the sale of liquor fixed at the auctions in April have exceeded Budget anticipation, and of Assam, where a fall in the revenue derived from the manufacture and sale of liquors is more than counterbalanced by a rise in the yield of the excise duty on opium. About half of the total decrease is expected in Madras (R26·50 lakhs).

Budget, 1915-16. 30. The total Budget for 1915-16 is R2·14 lakhs less than the Revised estimate for 1914-15. The estimates provide generally for a reduction in the consumption of stimulants, consequent on a continuance of the conditions which have tended to depress the excise revenue in the current year; but in view of the higher rates of duty and stricter excise control which are being gradually introduced, a small rise in revenue is anticipated in several provinces.

EXPENDITURE.

(a) *Wholly Imperial.*

31. The figures show little variation.

(b) *Divided and wholly Provincial.*

Revised, 1914-15. 32. The expenditure in 1914-15 is expected to fall short of the Budget provision by R3·58 lakhs. The decrease is mainly due to lapses in the special allotments made in the Budget for the reorganization of the Excise Department

Budget, 1915-16. in Bengal and in Bihar and Orissa. The Budget estimate for 1915-16 provides generally for normal charges of sanctioned establishments. Full provision has been made in the Central Provinces and in Bengal for the introduction of schemes of departmental reorganization which have recently been sanctioned by the Secretary of State.

VI AND 8.—PROVINCIAL RATES.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	10,819	14,144	2,777	1,000	1,000	1,000
2. Delhi	...	...	411	...	...	...
3. North-West Frontier.	2,773	2,279	2,777	3,000	4,000	2,000
TOTAL	13,592	16,423	5,965	4,000	5,000	3,000
Provincial.						
1. Assam	...	9,300	11,782	11,000	15,000	15,000
2. Bengal (new)	...	32,02,152	1,31,340	1,18,000	1,10,000	1,10,000
3. Bihar and Orissa	...	26,49,800	1,67,953	1,28,000	1,64,000	1,37,000
4. United Provinces	23,74,149	23,68,383	23,65,542	1,63,000	2,20,000	1,64,000
5. Punjab	27,754	36,171	20,572	30,000	42,000	31,000
Eastern Bengal and Assam	17,58,062	...	...	...	...	...
Bengal (old)	40,56,638	...	...	...	...	...
TOTAL	82,16,603	82,65,806	26,97,189	4,50,000	5,51,000	4,57,000
TOTAL REVENUE ₹	82,30,195	82,82,229	27,03,154	4,54,000	5,56,000	4,60,000
Equivalent in Sterling £	548,680	552,149	180,210	30,300	37,100	30,600

EXPENDITURE.

Provincial.						
1. Bengal (new)	...	30,209	...	...	...	...
2. Bihar and Orissa	...	33,668	...	...	...	...
Eastern Bengal and Assam	26,755	...	...	...	...	...
Bengal (old)	58,663	...	...	...	...	...
TOTAL EXPENDITURE ₹	85,418	72,877	...	...	...	...
Equivalent in Sterling £	5,695	4,859	...	...	...	...

Imperial.

33. The figures show little variation.

Provincial.

34. The Revised estimate for 1914-15 exceeds the Budget by 1·01 lakhs. More than half of the increase is expected in the United Provinces, and is due to a change in the dates of collection of the rates levied from estates managed by Government which has resulted in the recovery of an additional instalment of revenue in the current year. The Budget estimate for 1915-16 provides for normal collections in the various provinces.

Revised, 1914-15.

Budget, 1915-16.

VII AND 9—CUSTOMS.

SEA CUSTOMS. IMPORTS.	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Special Import Duties.						
Arms, Ammunition, and Military Stores	5,17,612	6,30,051	6,63,892	6,58,000	5,21,000	5,00,000
Liquors—						
Ale, Beer, Porter, Cider and other fermented Liquors	7,99,670	8,85,778	8,72,629	8,54,000	7,00,000	7,00,000
Spirits and Liqueurs	1,10,83,333	1,11,31,614	1,19,12,402	1,18,30,000	1,09,00,000	1,04,00,000
Wines	5,75,383	5,80,074	5,82,933	5,87,000	4,33,000	4,00,000
Opium	6,430	6,940	6,791	7,000	5,000	6,000
Petroleum	75,69,066	70,26,071	70,53,109	65,00,000	92,50,000	80,00,000
Silver, Bullion and Coin	97,85,750	1,08,46,213	99,24,998	80,00,000	1,50,00,000	1,00,00,000
Sugar (countervailing duties, 1899)	448	10,911	...	...	...	...
Tobacco	25,88,039	27,41,875	29,29,526	30,08,000	27,00,000	26,00,000
General Import Duties.						
Articles of Food and Drink (excluding Sugar)	27,59,294	29,14,071	30,43,837	31,50,000	28,50,000	28,50,000
Sugar (ordinary duties)	52,33,539	73,20,846	92,33,103	92,46,000	43,00,000	40,00,000
Chemicals, Drugs, Medicines and Dyeing and Tanning Materials	16,79,326	18,48,035	18,41,175	20,00,000	13,00,000	12,00,000
Cotton Manufactures	1,56,16,332	1,92,35,646	2,12,94,239	1,80,00,000	1,53,50,000	1,40,00,000
Metals and Manufactures of Metals other than Silver	51,25,168	53,26,262	73,29,237	70,50,000	49,00,000	45,00,000
Oils (excluding Petroleum)	1,16,498	1,61,715	1,95,833	1,88,000	1,80,000	1,89,000
Manufactured Articles	1,23,53,883	1,39,04,305	1,53,40,176	1,58,50,000	1,07,00,000	1,00,00,000
Raw Materials and Unmanufactured Articles	14,76,834	16,57,950	13,77,488	13,17,000	13,27,000	13,00,000
TOTAL IMPORTS	7,72,86,605	8,62,28,357	9,36,01,868	8,82,45,000	8,04,16,000	7,06,45,000
EXCISE DUTY ON COTTON GOODS	48,79,478	56,15,711	54,38,863	56,58,000	47,08,000	50,00,000
EXPORT DUTIES—						
Rice	1,36,23,196	1,47,52,506	1,28,75,686	1,31,79,000	89,49,000	1,20,00,000
LAND CUSTOMS AND MISCELLANEOUS	12,39,220	13,61,856	14,56,885	14,70,000	14,20,000	15,00,000
GRAND TOTAL R	9,70,28,499	10,79,58,430	11,33,73,302	10,85,52,000	9,54,93,000	8,91,45,000
Equivalent in Sterling £	6,468,567	7,197,229	7,558,220	7,236,800	6,366,200	5,943,000
CHARGES R	37,53,695	38,56,892	39,12,274	40,98,000	40,29,000	41,33,000
Equivalent in Sterling £	250,246	257,126	260,818	273,200	268,600	275,500
England £	467	162	434	300	600	300
TOTAL £	250,713	257,288	261,252	273,500	269,200	275,800

REVENUE.

Revised, 1914-15.

35. The Customs revenue in 1914-15 has suffered heavily from the dislocation of India's foreign trade which has been brought about by the European war. The stoppage of trade with the enemy countries; the contraction in the supply of certain commodities available for import into India which has resulted from the war; the reduction in the shipping available for the transport of private merchandise; the temporary insecurity of trade routes; the disturbance of economic conditions in India, and the consequent reduction in the demand for imported commodities; all these factors have reacted on the Customs revenue, the total yield of which in the current year is expected to fall short of the Budget estimate by R130·59 lakhs. The revenue derived from the export duty on rice has also been affected by the famine in Northern India in the earlier part of the year and the shortage in the winter rice crop in Bengal. The most important decreases occur under manufactured articles (R51·50 lakhs); sugar (R49·46 lakhs); export duty on rice (R42·30 lakhs); import duty on cotton manufactures (R26·50 lakhs); metals other than gold and silver, and manufactures thereof (R21·50 lakhs); excise duty on cotton goods (R9·50 lakhs); spirits

and liqueurs (9·30 lakhs); and chemicals, drugs, medicines and dyeing and tanning materials (R7 lakhs). On the other hand, a considerable rise is expected in the yield of the duty on silver (R70 lakhs), the imports of which have been stimulated by low prices; and on petroleum, (R27·50 lakhs), owing to the heavy imports into India of American oil which has been displaced from other markets in consequence of the war.

Budget, 1915-16.

36. The Budget estimate for 1915-16 is taken at R63·48 lakhs less than the Revised for the current year. Allowance has been made for the probable effects of the war on the import trade during twelve months in the ensuing year, as against eight months in 1914-15. But at the same time it has been assumed that the external trade will recover to some extent. Under most heads, therefore, only a moderate provision has been made for a further decline in revenue; but important reductions are anticipated under silver (R50 lakhs) and petroleum (R12·50 lakhs), the imports of which have been unusually heavy in the current year, and under cotton manufactures (R13·50 lakhs) in view of the congestion which has prevailed in the market for some time and which will be accentuated by the economic depression. On the other hand, a substantial improvement of R30·51 lakhs is expected in the yield of the export duty on rice, in view of improved conditions of agriculture in India.

EXPENDITURE.

Revised, 1914-15.

Budget, 1915-16.

37. A saving of R·64 lakh is expected in the Budget grant for the current year mainly owing to the non-utilization of the provision made for the revision of certain establishments in Burma. The Budget estimate for 1915-16 provides for normal expenditure on sanctioned establishments.

VIII AND 10.—ASSESSED TAXES.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General (Civil) .	9,26,515	9,05,684	8,92,706	9,33,000	9,95,000	9,83,000
2. Delhi (Civil) . .	...	1,02,071	2,13,430	1,73,000	2,20,000	1,98,000
3. Baluchistan (Civil) .	20,300	20,910	21,089	20,000	21,000	21,000
4. North-West Frontier (Civil) . . .	1,43,555	1,45,141	1,52,860	1,53,000	1,55,000	1,56,000
5. Other Provinces (Civil) . . .	20,055	36,199	20,355	33,000	32,000	22,000
6. Non-Civil Departments . . .	14,69,426	14,86,598	15,11,918	15,48,000	15,55,000	15,39,000
Total .	25,79,857	26,96,603	28,12,358	28,60,000	29,58,000	29,19,000
Divided.						
1. Central Provinces .	7,05,639	7,41,260	8,62,741	8,50,000	8,95,000	8,32,000
2. Burma . . .	19,40,044	19,79,460	22,90,649	22,30,000	25,75,000	22,50,000
3. Assam . . .	...	4,01,856	4,27,067	4,56,000	4,13,000	4,14,000
4. Bengal (new) . .	...	55,51,652	66,37,916	61,00,000	69,00,000	61,00,000
5. Bihar and Orissa .	...	13,26,240	13,85,293	14,00,000	14,00,000	14,50,000
6. United Provinces .	24,13,961	25,18,527	26,79,138	27,00,000	26,00,000	25,53,000
7. Punjab . . .	16,21,859	16,90,367	17,19,918	17,00,000	17,20,000	17,10,000
8. Madras . . .	32,05,741	34,81,236	37,47,460	37,80,000	39,70,000	38,70,000
9. Bombay . . .	54,13,445	57,48,762	66,91,205	61,30,000	67,00,000	60,76,000
Eastern Bengal and Assam . .	13,37,314	..	...	...	...	...
Bengal (old) . .	55,75,321	...	...	...	...	...
Total .	2,22,13,324	2,34,39,360	2,64,41,387	2,53,46,000	2,71,73,000	2,52,55,000
TOTAL REVENUE ₹ .	2,47,93,181	2,61,35,963	2,92,53,745	2,82,06,000	3,01,31,000	2,81,74,000
Equivalent in Sterling £	1,652,878	1,742,397	1,950,250	1,880,400	2,008,700	1,878,300

EXPENDITURE.

Imperial.						
1. India General . .	1,504	1,410	1,566	1,000	2,000	2,000
2. Delhi . . .	...	393	1,108	2,000	1,000	1,000
3. North-West Frontier	1,376	1,164	958	1,000	1,000	1,000
Total .	2,880	2,967	3,632	4,000	4,000	4,000
Divided.						
1. Central Provinces .	9,788	12,068	12,908	16,000	16,000	14,000
2. Burma . . .	42,311	45,248	46,539	46,000	47,000	49,000
3. Assam . . .	...	4,670	4,663	5,000	5,000	5,000
4. Bengal (new) . .	...	1,52,937	1,54,577	1,51,000	1,54,000	1,52,000
5. Bihar and Orissa .	...	39,382	44,790	44,000	45,000	45,000
6. United Provinces .	271	323	264	...	...	...
7. Punjab . . .	10,971	10,728	16,935	11,000	14,000	17,000
8. Madras . . .	37,058	36,996	39,175	40,000	41,000	57,000
9. Bombay . . .	1,15,840	1,20,490	1,45,318	1,71,000	1,69,000	1,74,000
Eastern Bengal and Assam . .	39,401	...	...	...	...	...
Bengal (old) . .	1,65,653	...	...	...	...	...
Total .	4,21,293	4,22,842	4,65,169	4,84,000	4,91,000	5,13,000
TOTAL EXPENDITURE ₹	4,24,173	4,25,809	4,68,801	4,88,000	4,95,000	5,17,000
Equivalent in Sterling £	28,278	28,387	31,254	32,500	33,000	34,500

REVENUE.

(*a*) *Imperial.*

38. The Revised estimate for 1914-15 exceeds the Budget by ₹·98 lakh, mainly in consequence of improved collections in Delhi and Ajmer-Merwara. The Budget estimate for 1915-16 provides for some decline in revenue, consequent on the economic depression in the current year, and is taken at ₹ 39 lakh less than the Revised estimate for 1914-15. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Divided.*

39. The total revenue in the current year is likely to exceed the Budget by ₹18·27 lakhs. About three-fourths of the improvement will occur in Bengal (₹8 lakhs) and Bombay (₹5·70 lakhs), where cautious estimates were adopted last year in view of the bank failures and their probable effect on certain industries. Important increases are also expected in Burma (₹3·45 lakhs) and in Madras (₹1·90 lakhs); but, on the other hand, the revenue in the United Provinces will fall short of the Budget estimate by ₹1 lakh, owing partly to a falling off in the profits of the Bengal and North-Western Railway. *Revised, 1914-15.*

40. The Budget estimate for 1915-16 is taken at ₹19·18 lakhs less than the Revised for 1914-15. Economic depression will tend to reduce the profits of companies and industrial concerns in the current year, which will form the basis of the assessments for next year's revenue. The bulk of the decline is expected naturally in the maritime provinces of Bengal (₹8 lakhs), Bombay (₹6·24 lakhs), Burma (₹3·25 lakhs) and Madras (₹1 lakh). *Budget, 1915-16.*

EXPENDITURE.

41. The figures show little variation.

IX AND 11.—FOREST.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	8,59,920	7,88,622	8,26,213	8,33,000	5,80,000	6,80,000
2. Baluchistan	20,118	20,158	19,987	21,000	20,000	21,000
3. North-West Frontier	1,58,171	2,37,183	2,66,741	2,48,000	2,37,000	2,36,000
Total	10,38,209	10,45,963	11,12,941	11,02,000	8,37,000	9,37,000
Provincial.						
1. Central Provinces	25,49,854	31,71,815	31,86,454	31,60,000	34,70,000	31,00,000
2. Burma	99,67,594	1,10,07,715	1,15,71,965	1,18,14,000	99,29,000	1,04,34,000
3. Assam	...	11,42,091	10,97,969	13,46,000	9,50,000	11,68,000
4. Bengal (new)	...	16,00,601	16,16,111	16,00,000	13,10,000	14,50,000
5. Bihar and Orissa	...	4,38,958	4,91,735	5,10,000	5,20,000	5,12,000
6. United Provinces	30,16,160	35,43,963	37,12,487	47,29,000	32,81,000	40,91,000
7. Punjab	13,10,077	12,39,032	13,54,943	14,50,000	13,60,000	14,20,000
8. Madras	41,68,921	41,12,474	42,00,320	41,50,000	38,70,000	41,25,000
9. Bombay	43,30,569	49,92,519	51,03,156	45,50,000	44,50,000	45,00,000
Eastern Bengal and Assam	17,78,863	...	...	...	...	...
Bengal (old)	11,22,442	...	...	...	...	...
Total	2,82,44,480	3,12,49,168	3,23,35,140	3,33,09,000	2,91,40,000	3,08,00,000
TOTAL INDIA ₹	2,92,82,689	3,22,95,131	3,34,48,081	3,44,11,000	2,99,77,000	3,17,37,000
Equivalent in Sterling £	1,952,179	2,153,009	2,229,872	2,294,000	1,998,500	2,115,800

EXPENDITURE.

Imperial.						
1. India General	8,02,202	8,53,535	9,12,162	10,76,000	10,23,000	12,20,000
2. Delhi	...	1,281	...	...	...	7,000
3. Baluchistan	28,947	28,526	25,310	30,000	27,000	30,000
4. North-West Frontier	89,436	1,22,173	1,31,023	1,23,000	1,23,000	1,21,000
Total	9,20,585	10,05,515	10,68,495	12,29,000	11,73,000	13,78,000
Provincial.						
1. Central Provinces	18,38,379	19,46,735	19,53,129	18,60,000	19,24,000	18,85,000
2. Burma	42,57,225	41,57,077	42,75,066	49,38,000	48,33,000	45,58,000
3. Assam	...	8,08,910	9,10,240	9,99,000	9,58,000	8,62,000
4. Bengal (new)	...	6,60,794	6,40,157	7,27,000	6,84,000	6,66,000
5. Bihar and Orissa	...	3,56,611	3,55,648	4,00,000	3,96,000	3,89,000
6. United Provinces	13,63,672	16,29,262	18,96,014	22,01,000	22,84,000	29,94,000
7. Punjab	7,65,146	7,99,177	9,19,177	10,61,000	9,24,000	9,86,000
8. Madras	34,14,882	31,50,482	29,35,817	31,63,000	28,30,000	30,50,000
9. Bombay	26,64,436	26,92,455	25,89,378	25,68,000	25,50,000	25,43,000
Eastern Bengal and Assam	11,09,591	...	...	...	...	...
Bengal (old)	7,06,374	...	...	...	...	...
Total	1,61,19,705	1,62,01,503	1,64,75,126	1,89,17,000	1,73,83,000	1,79,33,000
TOTAL INDIA ₹	1,70,40,290	1,72,07,018	1,75,43,621	2,01,46,000	1,85,56,000	1,93,11,000
Equivalent in Sterling £	1,136,019	1,147,134	1,169,575	1,343,100	1,237,100	1,287,400
England £	6,183	5,451	4,913	5,200	4,700	4,900
TOTAL EXPENDITURE £	1,142,202	1,152,585	1,174,488	1,348,300	1,241,800	1,292,300
NET REVENUE £	809,977	1,000,424	1,055,384	945,700	756,700	823,500

REVENUE.

(*a*) *Imperial.*

42. The decrease of R2·65 lakhs in the revenue in the current year as compared with the Budget estimate occurs mainly in Coorg and Port Blair, and is due to a fall in the demand for timber in consequence of the financial disturbance caused by war conditions. The Budget estimate of 1915-16 provides for a slight recovery in the revenue in these provinces. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Provincial.*

43. The Revised estimate for 1914-15 falls short of the Budget by R41·69 lakhs. There is a large decrease of R14·48 lakhs in the United Provinces, due mainly to delay in the introduction of the scheme for the supply of sleepers to State railways; and of R18·85 lakhs in Burma, where the demand for teak has been seriously affected. The slump in the timber market has affected the receipts in most other provinces also; and in the Central Provinces alone, the revenue is expected to exceed the Budget estimate, owing to a large demand and excellent prices for timber in the earlier months and the introduction of new grazing rules in Berar. *Revised, 1914-15.*

44. The Budget estimate for 1915-16 is taken at R16·60 lakhs more than the Revised estimate of the current year. The bulk of this improvement is expected in the United Provinces (R8·10 lakhs), mainly in connection with the scheme for the supply of sleepers to State railways and the expansion of the resin industry. In the other provinces, the estimates generally assume a moderate recovery in the demand for timber. But in the Central Provinces, allowance has been made for a decline of R3·70 lakhs, as compared with the Revised estimate for 1914-15, in view of the high receipts in the current year. *Budget, 1915-16.*

EXPENDITURE.

(*a*) *Imperial.*

45. The Revised estimate for 1914-15 is less than the Budget by R·56 lakh, chiefly in consequence of a lapse in the grant for the erection of a saw mill at Port Blair. The Budget for 1915-16 exceeds the Revised estimate of the current year by R2·05 lakhs, mainly owing to further provision for this item of expenditure and for a steam launch at Port Blair. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Provincial.*

46. The total expenditure in 1914-15 is expected to fall short of the Budget provision by R15·34 lakhs. The bulk of this reduction occurs in the United Provinces (R9·17 lakhs), and is due mainly to delay in the introduction of the scheme for the supply of sleepers to State railways, but partly also to lapses in ordinary and special grants. Important savings in the grants for conservancy and works are expected in Madras (R3·33 lakhs), the Punjab (R1·37 lakhs), Burma (1·05 lakhs) and most other provinces, owing chiefly to the postponement of expenditure which is not of an urgent character, in view of the financial situation. In the Central Provinces alone, there will be some excess over the Budget grant (R·64 lakh), in consequence of expenditure entailed by special grass operations. *Revised, 1914-15.*

47. The total Budget estimate for 1915-16 exceeds the Revised estimate for the current year by R5·50 lakhs. There is an increase of R7·10 lakhs in the United Provinces, mainly in connection with the scheme for the supply of sleepers to State railways and special outlay on the development of forests; and of R2·20 lakhs in Madras, due chiefly to provision for the acquisition of certain leased forests in the Nilghiri district. In the Punjab also, the Budget allows for a slightly higher scale of expenditure on the development of forests. In the other provinces, however, the grants provide for a reduction in the scale of expenditure attained in the current year, in consequence of the financial stringency; and in Burma, where the Provincial revenues are expected to suffer seriously from the effects of the war, the Budget estimate has been fixed at R2·75 lakhs less than the Revised estimate for the current year. *Budget, 1915-16.*

X AND 12.—REGISTRATION.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
Imperial.						
1. India General . .	23,398	26,587	25,538	27,000	22,000	20,000
2. Delhi . . .	...	10,173	22,674	22,000	24,000	24,000
3. Baluchistan . .	3,313	3,394	3,096	3,000	3,000	3,000
4. North-West Frontier	40,683	40,818	44,958	44,000	44,000	44,000
Total .	67,394	80,972	96,266	96,000	93,000	91,000
Provincial.						
1. Central Provinces .	3,49,449	3,89,805	4,18,084	4,10,000	3,93,000	4,00,000
2. Burma . . .	2,02,499	2,26,167	2,48,155	2,50,000	2,44,000	2,50,000
3. Assam . . .	...	93,275	1,08,711	1,04,000	1,16,000	1,15,000
4. Bengal (new) . .	...	18,23,161	20,16,144	20,50,000	18,00,000	19,00,000
5. Bihar and Orissa .		5,71,280	6,28,855	6,40,000	6,50,000	6,75,000
6. United Provinces .	5,94,858	6,53,393	7,04,603	6,85,000	7,07,000	7,37,000
7. Punjab . . .	3,15,970	3,51,040	3,77,516	3,65,000	3,66,000	3,67,000
8. Madras . . .	20,57,719	22,58,265	23,58,537	24,30,000	22,35,000	23,60,000
9. Bombay . . .	7,43,182	7,82,479	8,27,555	8,20,000	7,80,000	8,00,000
Eastern Bengal and Assam . . .	10,58,653	...	...	...	...	...
Bengal (old) . .	12,98,213	...	...	...	...	...
Total .	66,20,543	71,49,365	76,88,160	77,54,000	72,91,000	76,04,000
TOTAL INDIA ₹ .	66,87,937	72,30,337	77,84,426	78,50,000	73,84,000	76,95,000
Equivelent in Sterling £	445,862	482,022	518,962	523,300	492,300	513,000

EXPENDITURE.

Imperial.						
1. India General . .	8,714	9,044	9,341	11,000	8,000	7,000
2. Delhi . . .	...	2,645	5,880	7,000	7,000	7,000
3. Baluchistan . .	1,077	1,262	1,061	1,000	1,000	1,000
4. North-West Frontier	10,557	10,743	11,195	12,000	12,000	12,000
Total .	20,348	23,694	27,477	31,000	28,000	27,000
Provincial.						
1. Central Provinces .	1,28,069	1,29,522	1,32,386	1,34,000	1,34,000	1,35,000
2. Burma . . .	98,040	1,02,853	1,05,644	1,15,000	1,06,000	1,09,000
3. Assam . . .	...	55,970	58,611	68,000	65,000	74,000
4. Bengal (new) . .	...	10,50,903	11,26,558	11,99,000	11,51,000	11,23,000
5. Bihar and Orissa .	...	3,18,603	3,32,556	3,79,000	3,62,000	3,80,000
6. United Provinces .	2,93,213	2,80,523	2,89,214	2,91,000	2,94,000	3,10,000
7. Punjab . . .	1,19,895	1,17,843	1,19,932	1,27,000	1,26,000	1,29,000
8. Madras . . .	12,48,360	12,46,045	12,68,755	12,84,000	12,84,000	13,00,000
9. Bombay . . .	3,80,184	3,72,027	3,69,660	3,92,000	3,74,000	3,75,000
Eastern Bengal and Assam . . .	6,28,221	...	...	...	...	...
Bengal (old) . .	8,06,999	...	...	...	...	...
Total .	37,03,481	36,74,289	38,04,316	39,89,000	38,96,000	39,35,000
TOTAL INDIA ₹ .	37,23,829	36,97,983	38,31,793	40,20,000	39,24,000	39,62,000
Equivalent in Sterling £	248,256	246,532	255,453	268,000	261,600	264,100

Imperial.

48. The figures of both revenue and expenditure in the two years show little variation and call for no remark.

Provincial.

REVENUE.

49. The total revenue in 1914-15 is expected to fall short of the Budget estimate by ₹4·63 lakhs. The bulk of the decrease occurs in Bengal (₹2·50 lakhs) and Madras (₹1·95 lakhs), and is mostly due to the dislocation of trade and business which the war has brought about. A portion of the reduction is also due to the record under "26 B—Scientific and Miscellaneous Departments," of fees for the registration of Joint-Stock Companies which used to be recorded under Registration. *Revised, 1914-15.*

50. The Budget estimate for 1915-16 anticipates some recovery in the revenue in Bengal and Madras, and is taken at ₹3·13 lakhs higher than the Revised estimate for 1914-15. *Budget, 1915-16.*

EXPENDITURE.

51. The saving of ₹·93 lakh in the Budget grant for 1914-15 is mainly due to the record under "26 B—Scientific and Miscellaneous Departments," of the charges of the Registrars of Joint-Stock Companies for which Budget provision was made under Registration. The total Budget estimate for 1915-16 does not differ materially from the Revised estimate for 1914-15. *Revised, 1914-15.* *Budget, 1915-16.*

XI.—TRIBUTES.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915		Budget, 1915-1916.
				Budget.	Revised.	
Imperial.						
1. India General	21,34,346	20,68,974	19,61,417	18,69,000	18,40,000	20,02,000
2. Central Provinces	2,35,437	2,37,937	2,42,687	2,39,000	2,39,000	2,39,000
3. Burma	4,33,900	4,53,900	4,53,900	4,56,000	4,53,000	4,53,000
4. Assam	...	50,100	50,100	50,000	50,000	50,000
5. Bengal (new)	...	67,701	67,701	68,000	68,000	68,000
6. Bihar and Orissa	...	85,500	85,499	87,000	86,000	86,000
7. United Provinces	3,13,223	3,28,777	3,21,000	3,21,000	3,21,000	3,21,000
8. Punjab	1,48,283	1,41,874	1,45,391	1,44,000	1,44,000	1,44,000
9. Madras	44,96,519	44,96,519	44,96,519	44,97,000	44,97,000	44,97,000
10. Bombay	10,60,911	14,21,855	14,28,999	14,08,000	14,08,000	13,39,000
Eastern Bengal and Assam	50,200	...	...	...	...	...
Bengal (old)	52,250	...	...	...	...	...
TOTAL INDIA R	89,25,074	93,53,137	92,53,213	91,39,000	91,06,000	91,99,000
Equivalent in Sterling £	595,005	623,542	616,881	609,300	607,100	613,300

52. The revenue recorded under this head represents tributes received from the protected States, in several cases as a result of exchanges of territory and settlement of claims, and contributions made chiefly in lieu of former obligation to supply or maintain troops. The figures do not ordinarily show any important fluctuations from year to year except for advance payment of sums falling due in the ensuing year, or arrears and their recovery. The Revised estimate for the current year is less than the Budget by R·33 lakh mainly owing to an advance payment by the Jhallawar State in 1913-14. The Budget estimate for 1915-16 provides for normal receipts and for the recovery of arrears due from the Bundi State.

Revised, 1914-15.

Budget, 1915-16.

1.—REFUNDS AND DRAWBACKS.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
Imperial.						
1. India General . .	47,452	43,974	50,921	46,000	97,000	81,000
2. Delhi . . .	...	3,174	8,999	6,000	10,000	9,000
3. Baluchistan . .	9,435	5,797	5,464	8,000	6,000	7,000
4. North-West Frontier	19,945	23,401	23,604	19,000	21,000	21,000
5. Other Provinces .	26,74,561	24,09,098	23,72,430	22,58,000	28,29,000	22,05,000
Total .	27,51,393	24,85,444	24,61,418	23,37,000	29,63,000	23,23,000
Divided and Provincial.						
1. Central Provinces .	86,508	81,517	82,636	79,000	1,02,000	83,000
2. Burma . . .	2,47,386	2,56,791	2,28,133	2,34,000	2,99,000	2,39,000
3. Assam . . .	...	38,055	32,572	35,000	48,000	39,000
4. Bengal (new) . .	...	2,68,043	2,44,261	2,55,000	2,88,000	2,59,000
5. Bihar and Orissa .	...	1,11,886	1,2 ,767	97,000	1,29,000	1,05,000
6. United Provinces .	1,93,452	2,02,662	2,48,369	2,26,000	2,79,000	2,57,000
7. Punjab . . .	1,54,029	1,91,639	1,82,367	1,87,000	2,00,000	1,93,000
8. Madras . . .	2,91,708	3,87,557	4,42,245	3,72,000	4,77,000	4,04,000
9. Bombay . . .	7,97,576	8,48,516	9,98,360	8,22,000	8,83,000	8,45,000
Eastern Bengal and Assam . . .	1,17,038	...	...	...	...	...
Bengal (old) . .	2,95,058	...	...	...	...	...
Total .	22,82,755	23,86,476	25,80,711	23,07,000	27,05,000	24,24,000
TOTAL INDIA R	50,34,148	48,71,920	50,42,129	46,44,000	56,68,000	47,47,000
Equivalent in Sterling £	335,610	324,795	336,142	309,600	377,900	316,500

(*a*) *Imperial.*

53. The wholly Imperial expenditure shown against "Other Provinces" represents refunds and drawbacks in respect of wholly Imperial revenue (*e.g.*, Opium, Salt, Customs and Tributes.) The increase of R6 26 lakhs in the Revised estimate over the Budget for 1914-15 is chiefly due to a heavy payment of drawback of customs duty owing to the re-export of Java sugar and other causes, and to a larger issue of duty-free salt to the Bikaner State and for industrial purposes. The Budget estimate for 1915-16 provides for normal charges. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Divided and Provincial.*

54. The expenditure fluctuates considerably from year to year and is difficult to estimate. In 1914-15 the Budget will be exceeded by R3·98 lakhs owing chiefly to higher refunds of Land revenue in Madras and Bombay, and to special refunds of Income-tax and of Excise and Forest revenue. For 1915-16 a normal scale of expenditure has been assumed. *Revised, 1914-15.* *Budget, 1915-16.*

2.—ASSIGNMENTS AND COMPENSATIONS.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
Imperial.						
1. India General	31,42,898	31,93,559	31,87,947	32,03,000	32,37,000	31,97,000
2. Delhi	...	514	1,689	...	9,000	...
3. Baluchistan	2,01,390	2,02,348	2,01,407	2,08,000	2,05,000	2,02,000
4. North-West Frontier	17,819	19,307	17,736	18,000	18,000	18,000
5. Other Provinces	36,19,308	34,94,978	35,40,050	35,19,000	35,46,000	35,25,000
Total	69,81,415	69,10,706	69,48,829	69,48,000	70,15,000	69,42,000
Divided and Provincial.						
1. Central Provinces	34,118	40,851	75,970	41,000	39,000	41,000
2. Burma	989	200	415	1,000	1,000	1,000
3. Assam	...	32,434	32,638	32,000	34,000	34,000
4. Bengal (new)	...	1,01,810	54,317	85,000	64,000	85,000
5. Bihar and Orissa	...	1,06,023	1,46,784	1,06,000	1,07,000	1,06,000
6. United Provinces	2,80,026	3,09,664	3,01,916	3,00,000	3,08,000	3,02,000
7. Punjab	67,676	70,827	81,372	76,000	75,000	75,000
8. Madras	5,44,335	5,13,814	6,20,012	5,58,000	5,53,000	5,82,000
9. Bombay	1,02,01,357	1,01,33,011	1,03,54,259	1,04,25,000	1,09,51,000	1,11,25,000
Eastern Bengal and Assam	56,372	...	...	...	...	...
Bengal (old)	1,57,435	...	...	...	...	...
Total	1,13,42,308	1,13,08,634	1,16,67,683	1,16,24,000	1,21,32,000	1,23,51,000
TOTAL INDIA R	1,83,23,723	1,82,19,340	1,86,16,512	1,85,72,000	1,91,47,000	1,92,93,000
Equivalent in Sterling £	1,221,581	1,214,623	1,241,101	1,238,100	1,276,500	1,286,200

(*a*) *Imperial.*

55. The figures show little variation and call for no remark. The wholly Imperial expenditure shown against "Other Provinces" represents Opium, Salt and Customs compensations paid to Native States and Foreign Governments, as well as Miscellaneous compensations (*i.e.*, those of a general character and not intended to indemnify against loss of a particular kind of revenue) in provinces other than Bombay.

(*b*) *Divided and Provincial.*

Revised, 1914-15.

56. The expenditure in 1914-15 will exceed the Budget provision by R5·08 lakhs, mainly in consequence of the payment in Bombay of arrears of excise compensations, of certain cash allowances out of the Land Revenue collections, and of enhanced compensations to some of the Native States for the lease of their abkari rights. The Budget estimate for 1915-16 is taken at R2·19 lakhs more than the Revised for 1914-15, the increase being chiefly due to provision in Bombay for the payment of cash allowances to certain village servants as compensation for the commutation of their right of service.

Budget, 1915-16.

XII.—INTEREST RECEIPTS.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. Interest on Imperial loans and advances . .	39,20,707	37,58,845	37,52,940	36,48,000	34,37,000	34,22,000
2. Profits of Paper Currency Circulation . .	34,70,420	34,70,420	34,70,420	34,70,000	34,70,000	34,70,000
3. Interest on overdrawn Capital of Railway Companies in India .	24,21,272	27,21,189	31,37,152	42,27,000	4,73,000	6,21,000
4. Interest charged to Capital on advances to Railway Companies .	5,33,823	7,80,536	5,13,168	78,000	67,000	8,000
5. Miscellaneous items .	1,42,706	1,13,474	3,48,583	2,13,000	3,23,000	4,46,000
TOTAL R	1,04,88,928	1,08,44,464	1,12,22,263	1,16,36,000	77,70,000	79,67,000
Provincial.						
1. Central Provinces .	2,17,160	1,80,289	1,82,442	1,90,000	1,77,000	2,44,000
2. Burma . . .	1,26,882	1,50,815	1,42,937	1,33,000	1,36,000	1,59,000
3. Assam . . .	...	13,336	24,239	58,000	71,000	65,000
4. Bengal (new) . .	...	5,00,713	4,29,999	4,87,000	4,62,000	5,29,000
5. Bihar and Orissa .	... .	2,88,003	2,22,129	2,22,000	2,43,000	2,16,000
6. United Provinces .	13,58,202	14,09,544	11,56,424	14,94,000	15,09,000	19,49,000
7. Punjab . . .	2,58,248	2,66,145	2,33,960	2,36,000	2,34,000	2,88,000
8. Madras . . .	4,42,611	4,26,893	4,55,317	4,40,000	4,48,000	4,49,000
9. Bombay . . .	11,03,205	10,12,401	14,21,591	14,58,000	15,37,000	14,08,000
Eastern Bengal and Assam . . .	1,60,798	...	...	...	...	...
Bengal (old) . .	7,20,044	...	...	...	...	...
TOTAL R	43,87,150	42,48,174	42,69,038	47,18,000	48,17,000	53,07,000
TOTAL INDIA R	1,48,76,078	1,50,92,638	1,54,91,301	1,63,54,000	1,25,87,000	1,32,74,000
Equivalent in Sterling £	991,739	1,006,176	1,032,754	1,090,300	839,100	884,900
ENGLAND.						
Profits of Paper Currency Circulation . . .	68,001	78,211	78,211	78,200	78,200	78,200
2. Interest realised from investment of Cash Balances .	376,053	372,170	205,689	207,500	104,300	94,000
3. Interest on advances to the Imperial Bank of Persia for the purpose of the Persian Government . .	12,571	16,852	35,183	...	...	...
4. Miscellaneous . .	377	299	282	...	...	...
TOTAL £	457,002	467,532	319,365	285,700	182,500	172,200
TOTAL RECEIPTS £	1,448,741	1,473,708	1,352,119	1,376,000	1,021,600	1,057,100
Loans and advances outstanding March 31:—						
1. Imperial . £	6,435,732	6,259,602	6,044,330	6,439,802	6,046,730	6,198,230
2. Provincial . £	5,646,902	5,894,614	6,687,516	6,488,014	6,814,016	6,403,516

(*a*) *India—Imperial.*

Revised, 1914-15.

57. The Revised estimate for 1914-15 is less than the Budget by R38·66 lakhs. The bulk (*viz.*, R37 lakhs,) of the decrease is nominal, and arises from a change in the treatment of advances to, and overdrafts of Capital by, the Bengal Nagpur Railway Company, in accordance with the provisions of the new contract with it. These advances and overdrafts are now treated as Capital contributed by the Government of India towards the undertaking; and the change involves a reduction in the receipts on account of interest on overdrafts of Capital, and a corresponding saving in the expenditure under "Interest on Capital deposited by Companies." There is also a fall of R2·11 lakhs in the interest receivable in respect of Imperial loans and advances, owing to a reduction from 4½ to 4 per cent. in the rate of interest on the Capital debt of the Bombay Port Trust, and the transfer to the Provincial loan account of certain Imperial loans to Native States in Bombay. On the other hand, an increase of R1·10 lakhs is expected in the interest obtained on the investment of sundry sums deposited with the Controller of Currency and in certain other miscellaneous items. The Budget for 1915-16 exceeds the Revised estimate for the current year by R1·97 lakhs. An increase of R1·48 lakhs is anticipated in the interest charged on overdrafts of Capital by Railway Companies; and of R1·23 lakhs in the miscellaneous revenue, owing to a larger receipt of interest in respect of the unpaid balance of the price of lands sold in the Punjab. But it will be counterbalanced in part by a decrease of R·59 lakh in the interest payable from the Capital account of the Bengal Nagpur Railway in respect of advances for the construction of new extensions which will be opened in the ensuing year, and by less important reductions in certain other items.

Budget, 1915-16.

(*b*) *India—Provincial.*

Revised, 1914-15.

58. The Revised estimate for 1914-15 exceeds the Budget by R·99 lakh. The increase is chiefly due to the receipt of interest from Native States in Bombay, in respect of loans transferred from the Imperial to the Provincial loan account. The total Budget for 1915-16 exceeds the Revised estimate for 1914-15 by R4·90 lakhs, chiefly in consequence of larger realisations of interest on *takavi* in the United Provinces. The receipts in some of the other provinces are also expected to be higher than those in the current year, but on the other hand a large decline is anticipated in Bombay owing to the reduction in the balances of agricultural and other loans granted in famine years.

Budget, 1915-16.

(*c*) *England.*

59. The variations between the Budget and the Revised estimates of the current year, and between the latter and the Budget of the ensuing year, are wholly due to fluctuations in the balance of the Home Treasury available for investment and in the rate of interest obtained on it.

13 AND 14.—INTEREST EXPENDITURE.

		Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Interest on Debt other than that charged to Railways and Irrigation Works—							
Interest on total Debt—							
1. India	₹	4,88,93,847	4,98,01,687	5,13,24,328	5,38,00,000	5,51,00,000	5,89,00,000
2. England	£	3,259,590	3,320,112	3,421,622	3,586,700	3,673,300	3,926,700
	£	6,022,639	6,203,996	5,912,796	5,988,700	6,078,000	6,092,300
Total		9,282,229	9,524,108	9,334,418	9,575,400	9,751,300	10,019,000
Deduct amounts charged to—							
(*a*) Railways:							
(*i*) India	₹	*4,56,26,525*	*4,93,46,705*	*5,39,53,685*	*5,62,26,000*	*6,01,13,000*	*6,14,91,000*
(*ii*) England	£	*3,041,768*	*3,289,780*	*3,596,912*	*3,748,400*	*4,007,500*	*4,099,400*
	£	*3,622,442*	*3,782,768*	*3,706,233*	*3,642,800*	*3,635,000*	*3,666,300*
Total Railways	£	*6,664,210*	*7,072,548*	*7,303,145*	*7,391,200*	*7,642,500*	*7,765,700*
(*b*) Irrigation:							
(*i*) India	₹	*1,59,94,080*	*1,73,66,737*	*1,77,92,499*	*1,86,58,000*	*1,86,90,000*	*1,95,16,000*
(*ii*) England	£	*1,066,272*	*1,157,783*	*1,186,167*	*1,243,900*	*1,246,000*	*1,301,100*
	£	*116,595*	*124,730*	*118,679*	*120,900*	*120,600*	*122,200*
Total Irrigation	£	*1,182,867*	*1,282,513*	*1,304,846*	*1,364,800*	*1,366,600*	*1,423,300*
Total deduction	£	*7,847,077*	*8,355,061*	*8,607,991*	*8,756,000*	*9,009,100*	*9,189,000*
Interest on Ordinary Debt	£	1,435,152	1,169,047	726,427	819,400	742,200	830,000
Distribution of above—							
Imperial	£	1,239,316	966,579	506,757	591,300	506,100	598,800
Provincial	£	195,836	202,468	219,670	228,100	236,100	231,200
Interest on other Obligations—							
On Savings Bank Balances converted at ₹15=£1	£	451,902	491,952	560,453	630,300	518,100	437,600
Other items	£	150,681	149,536	228,773	158,100	220,600	208,500
TOTAL	£	602,583	641,488	789,226	788,400	738,700	646,100
GRAND TOTAL	£	2,037,735	1,810,535	1,515,653	1,607,800	1,480,900	1,476,100
Debt outstanding, March 31—		£	£	£	£	£	£
Sterling		182,986,597	179,179,193	177,064,757	181,532,993	183,564,757	182,657,257
Rupee Debt—		₹	₹	₹	₹	₹	₹
4 per cent.		3,43,00,000	3,31,00,000	3,19,00,000	3,07,00,000	3,19,00,000	3,07,00,000
3½ per cent.		1,26,91,37,600	1,29,93,49,500	1,33,09,99,400	1,38,15,49,500	1,38,12,27,400	1,42,04,84,400
3 per cent.		8,44,88,100	8,42,41,600	8,23,18,000	8,16,76,600	8,20,52,000	8,17,52,000
Other Debt		1,17,10,505	1,16,73,690	1,16,38,390	1,00,75,690	1,00,84,390	1,00,71,390
Temporary loans		...	...	...	...	11,00,00,000	11,00,00,000
Savings Bank Balances		23,78,20,072	26,20,25,285	29,41,36,898	32,03,62,287	21,73,35,898	21,32,14,898

INTEREST ON ORDINARY DEBT.

Revised, 1914-15.

60. The expenditure in 1914-15 on account of interest payable on the public debt as a whole will exceed the Budget estimate by ₹26·39 lakhs (£175,900), mainly in consequence of the payment of interest on the temporary loan taken from the Gold Standard Reserve in India and of discount on the India bills raised in England. These payments will amount to ₹50·76 lakhs, but they will be met partially from savings in the provision for the service of the new sterling loan the issue of which was contemplated in the Budget, but which was not floated, and from savings in other directions. In the Budget for 1915-16, necessary provision has been made for a full year's interest on the rupee loan of ₹5 crores raised in the current year and on the temporary loan of ₹10½ crores taken from the Gold Standard Reserve, as well as for the service of the further borrowing in India which is contemplated in the ensuing year.

Budget, 1915-16.

Transfers to Railway and Irrigation Accounts.

61 The amount of interest transferred to the Railway and Irrigation sections of the accounts depends, firstly, on the Capital expenditure; secondly, on the actual payment of interest on that portion of the debt which has been incurred specifically on account of the construction or purchase of railways or irrigation works; and, thirdly, on the rate at which interest is charged on that portion of the debt which has not been specifically raised for the above purpose. Our practice is to adopt, for this adjustment, the average rate of interest actually paid in respect of the whole of the non-specific debt in the latest year for which complete accounts are available. The result is that the rate adopted in calculating the Revised estimate for a year is generally different from that used for the Budget estimate; and this usually leads to a difference between the two estimates apart from that caused by a variation in the Capital expenditure itself. The large increase of ₹37·97 lakhs (£253,100) in the Revised estimate of total interest to be transferred in 1914-15, as compared with the Budget, arises, however, mostly from a different cause. Under the old contract with the Bengal-Nagpur Railway Company, certain sums of money provided by Government for the construction of the line were treated partly as advances to the company and partly as overdrafts of capital by it. Interest was charged on both the advances and the overdrafts of capital at certain specific rates; and while in the case of the advances, the actual sum so charged was included in the amount of interest transferred from "13.—Interest on Ordinary Debt" to the Railway section of the accounts, the interest charged on the overdrafts of capital was recorded under the head "Interest on capital deposited by Companies", which appears in the Railway section, by *per contra* credit to "Interest receipts." Under the terms of the new contract with the company, the advances and overdrafts are now treated as capital contributed by the Government towards the undertaking, and they have accordingly swelled the amount of non-specific railway debt. The increase in the total amount of interest to be transferred in 1915-16 over the Revised estimate for 1914-15 is almost wholly due to the progress of capital expenditure.

Transfers to Provincial.

62. A portion of the interest on Ordinary Debt appears in the Provincial section of the accounts. Provincial Governments are authorised to grant advances to cultivators (as well as to certain other people in special cases) under various Acts, to landholders and notabilities apart from the provisions of any law, and to municipalities and local bodies (other than Presidency Corporations), out of amounts annually placed at their disposal by the Government of India. The interest actually levied on such advances is credited as provincial revenue. But interest at 3½ per cent. a year is charged to the Local Governments, on the mean between the outstanding balances of the Provincial Loan Accounts, at the commencement of the year and at its close; and this is done by transferring the amount so calculated from the Imperial to the Provincial section under Interest on Ordinary Debt. The differences between the Budget and the Revised estimates of the amount to be so transferred in the current year, and between the latter and the Budget estimate of 1915-16, are explained by the variations in the outstanding balances of the Provincial Loan Account as shown in the table at page 43.

INTEREST ON OTHER OBLIGATIONS.

Revised, 1914-15.

63. The total expenditure in 1914-15 is expected to fall short of the Budget provision by R7·45 lakhs (£49,700). There will be a decrease of R16·83 lakhs in the interest payable on Savings Bank balances owing to the heavy withdrawals of deposits from Post Office Savings Banks; but it will be partly counterbalanced by an increase of R9·38 lakhs under other items, mainly in consequence of the payment of interest on the unexpended balances of capital deposited with Government by Railway Companies, for which no provision was made in the Budget.

Budget, 1915-16.

64. The Budget estimate for 1915-16 is taken at R13·89 lakhs (£92,600) less than the Revised estimate for the current year. Allowance has been made for a further reduction of R12·08 lakhs in the interest payable on Savings Bank balances, being the net result of a saving of R14·80 lakhs under Postal Savings Banks and an increase of R2·72 lakhs under State Provident Funds, etc. A decrease of R1·81 lakhs is also expected under other items chiefly in consequence of a smaller payment of interest on the unspent balances of capital deposited with Government by Railway Companies.

XIII AND 15—POSTS AND TELEGRAPHS.

—	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
REVENUE.						
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
INDIA.						
1. Postage and Message Revenue . .	3,68,96,658	3,87,70,014	4,13,62,237	4,29,81,000	4,12,43,000	4,15,44,000
2. Commission on money orders .	52,80,818	56,79,946	61,03,161	64,50,000	61,18,000	61,80,000
3. Other Receipts .	38,68,321	45,25,202	40,24,174	40,78,000	41,85,000	42,40,000
TOTAL INDIA . ₹	4,60,45,797	4,89,75,162	5,14,89,572	5,35,09,000	5,15,46,000	5,19,64,000
TOTAL INDIA . £	3,069,720	3,265,011	3,432,638	3,567,200	3,436,400	3,464,300
ENGLAND .	...	...	...	...	...	69,000
TOTAL INDIAN POSTAL AND TELEGRAPH DEPARTMENT .	3,069,720	3,265,011	3,432,638	3,567,200	3,436,400	3,533,300
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
INDIA.						
1. Message Revenue .	21,90,149	24,59,273	23,89,648	23,80,000	10,76,000	5,00,000
2. Other Receipts .	14,776	20,666	26,794	23,000	20,000	20,000
TOTAL INDIA . ₹	22,04,925	24,79,939	24,16,442	24,03,000	10,96,000	5,20,000
TOTAL INDIA . £	146,995	165,329	161,096	160,200	73,100	34,600
ENGLAND.						
1. Message Revenue. £	4,989	6,220	4,583	5,000	7,100	2,100
2. Other Receipts £	...	...	202	...	2,700	9,200
TOTAL ENGLAND £	4,989	6,220	4,785	5,000	9,800	11,300
TOTAL INDO-EUROPEAN DEPARTMENT £	151,984	171,549	165,881	165,200	82,900	45,900
TOTAL REVENUE £	3,221,704	3,436,560	3,598,519	3,732,400	3,519,300	3,579,200
EXPENDITURE.						
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
INDIA.						
1. Establishment charges . . .	3,00,15,373	3,05,26,936	3,13,69,557	3,20,88,000	3,26,15,000	3,29,64,000
2. Stationery and Printing . . .	12,31,138	13,97,275	12,48,848	13,15,000	10,67,000	11,28,000
3. Conveyance of mails	65,50,160	65,95,054	73,36,524	71,63,000	72,19,000	73,34,000
4. Maintenance of Telegraph Lines .	25,25,142	25,76,216	26,29,794	25,01,000	25,13,000	25,27,000
5. Capital outlay in connection with the Telegraph Service .	6,13,009	4,09,421	4,60,450	6,35,000	3,42,000	5,48,000
6. Miscellaneous .	10,47,991	9,09,603	9,61,428	8,44,000	10,83,000	10,55,000
TOTAL INDIA ₹ .	4,19,72,813	4,24,14,505	4,40,06,601	4,45,46,000	4,48,39,000	4,55,56,000
Equivalent in Sterling £	2,798,188	2,827,634	2,933,774	2,969,700	2,989,300	3,037,100
ENGLAND.						
1. Contribution to Eastern mail subsidy .	54,588	54,588	54,588	30,000	54,600	54,000
2. Stores . . .	143,698	131,612	143,070	154,200	151,800	142,500
3. Other items . .	6,177	8,588	10,555	49,400	14,000	42,700
TOTAL ENGLAND . £	204,463	194,788	208,213	233,600	220,400	239,200
TOTAL INDIAN POSTAL AND TELEGRAPH DEPARTMENT £	3,002,651	3,022,422	3,141,987	3,203,300	3,209,700	3,276,300
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
INDIA AND ENGLAND.						
1. Revenue charges . £	72,440	96,183	77,193	93,600	90,200	101,800
2. Capital outlay . £	2,573	—17,599	23,157	21,300	11,100	5,200
3. Payments in respect of Revenue . £	24,740	31,507	30,647	31,800	—20,900	—88,900
TOTAL INDO-EUROPEAN TELEGRAPH DEPARTMENT £	99,753	110,091	130,997	146,700	80,400	18,100
TOTAL EXPENDITURE . . £	3,102,404	3,132,513	3,272,984	3,350,000	3,290,100	3,294,400
NET REVENUE . £	119,300	304,047	325,535	382,400	229,200	284,800

REVENUE.

(*a*) *Indian Postal and Telegraph Department.*

Revised, 1914-15.

65. The revenue in the current year has suffered heavily from the dislocation of trade and stagnation of business, and the Revised estimate is taken at R19·63 lakhs (£130,800) less than the Budget A heavy decline of R17·38 lakhs is expected in the postage and message revenue, while the receipts from commission on money orders will also fall off by R3·32 lakhs. On the other hand, there will be a small improvement of R1·07 lakhs in the Miscellaneous revenue derived from royalties paid by telephone companies and from other sources.

Budget, 1915-16.

66. The Budget estimate of Indian revenue for 1915-16 is based on the assumption that trade and business will recover to some extent in the coming year, and provides for a small rise of R4·18 lakhs (£27,900) over the Revised estimate for 1914-15. In England, a sum of £69,000 is likely to be received from the Home Government under the Morley award in connection with the Eastern mail service.

(*b*) *Indo-European Telegraph Department.*

Revised, 1914-15.

67. Here, too, the revenue in the current year has suffered heavily owing to interruptions in the Indo-European route in consequence of the war; and the total Revised estimate for 1914-15 is less than the Budget by R12·35 lakhs (£82,300).

Budget, 1915-16.

The Budget estimate for 1915-16 provides for a further decline of R5·55 lakhs (£37,000) in the revenue, on the assumption that the interruptions in the Indo-European route will continue so long as the war lasts.

EXPENDITURE.

(*a*) *Indian Postal and Telegraph Department.*

Revised, 1914-15.

68. The total expenditure in 1914-15 is likely to exceed the Budget grant by R·96 lakh (£6,400). In India, there will be an increase of R5·27 lakhs in the Establishment charges mainly in consequence of the grant of grain compensation allowance, for which no provision was made in the Budget; and of R2·39 lakhs in the Miscellaneous expenditure owing to an increase in the cost of stamps. But, on the other hand, there will be a decrease of R2·48 lakhs in the Stationery and Printing charges; and of R2·93 lakhs in the Capital outlay in connection with the telegraph service, owing to the postponement of works which are not of an urgent nature. In England, an increase of £24,600 in the contribution payable by the Government of India for the Eastern mail subsidy, due to a postponement of the revision of its incidence, is more than counterbalanced by a reduction of £35,400 under other items caused mainly by a lapse in the provision for payments to the Marconi Company.

Budget, 1915-16.

69. The total Budget grant for 1915-16 exceeds the Revised estimate for the current year by £66,600 (R10 lakhs). A provision of R6 lakhs has been made for certain payments to the Marconi Company which were postponed in the current year. Apart from this special item, the Budget estimate provides for sanctioned establishments and allows for a small margin for the development of the operations of the Department. The financial position has necessitated a curtailment of the programme of works, and though the grant for capital outlay in connection with the telegraph service is R2·06 lakhs higher than the Revised estimate for 1914-15, the allotment for the purchase of stores in England is R1·40 lakhs less than the probable outlay in the current year.

(*b*) *Indo-European Telegraph Department.*

Revised, 1914-15.

70. The total Revised estimate for 1914-15 falls short of the Budget by £66,300. This reduction is mainly due to the fact that owing to the interruption of the Indo-European route and the diversion of traffic in consequence

of the war, a net receipt of £14,600 is expected in England in connection with the Joint Purse arrangement, etc., against a net payment of £31,800 anticipated in the Budget. Apart from this improvement, there will be a saving of £10,200 in the capital grants owing to the postponement of construction of certain buildings, and a lapse of £9,700 in the revenue grants.

Budget, 1915-16.

71. The Budget estimate for 1915-16 is less than the Revised estimate for the current year by £62,300. Here, too, the reduction arises mainly from the fact that a net receipt of £88,900 is expected in England in the ensuing year in connection with the Joint Purse arrangement, etc., against a similar net receipt of £14,600 in 1914-15.

XV AND 17.—MINT.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
REVENUE.						
INDIA.						
1. Percentage chargeable on coinage of new rupees	...	32,25,953	20,54,049	...	...	...
2. Profit on circulation of—						
(*a*) Nickel coins	24,35,338	22,02,778	19,61,839	25,00,000	8,00,000	10,00,000
(*b*) Bronze coins	9,02,671	12,72,178	7,60,047	10,00,000	...	...
3. Fees for coining dollars, etc.	17,92,657	3,07,347	75,417	1,50,000	...	...
4. Other items	3,73,786	3,02,119	2,45,302	96,000	69,000	70,000
TOTAL ₹	55,04,452	73,10,375	50,96,654	37,46,000	8,69,000	10,70,000
TOTAL £	366,963	487,359	339,777	249,800	57,900	71,300
England £	137	...	54	...	...	...
TOTAL £	367,100	487,359	399,841	249,800	57,900	71,300
EXPENDITURE.						
INDIA.						
1. Establishment charges	7,91,732	8,86,301	8,36,509	7,85,000	7,00,000	7,47,000
2. Purchase of stores	2,01,189	2,19,565	2,37,642	1,45,000	1,13,000	1,75,000
3. Loss on re-coining old silver coins	3,93,294	5,07,401	4,90,118	5,00,000	4,35,000	4,99,000
4. Loss on bronze coinage	...	...	...	...	7,00,000	...
5. Other coinage losses	2,77,325	4,20,140	2,66,720	23,000	...	...
TOTAL ₹	16,63,540	20,33,407	18,30,989	14,53,000	19,48,000	14,21,000
TOTAL £	110,903	135,560	122,066	96,900	129,900	94,700
England £	5,604	6,783	10,564	7,400	9,500	7,300
TOTAL £	116,507	142,343	132,630	104,300	139,400	102,000
TOTAL NET REVENUE £	250,593	345,016	267,211	145,500	—81,500	—30,700

REVENUE.

72. The revenue in 1914-15 has suffered heavily from the set-back in the course of trade, and the Revised estimate is less than the Budget by ₹28·77 lakhs. A decline of ₹17 lakhs is expected in the profit on the circulation of nickel coins, the demand for which has fallen off considerably. There is also no likelihood of any revenue being obtained in the current year from the profit on the circulation of bronze coins or from fees for coining dollars. The Budget estimate for 1915-16 anticipates a slight increase in the profit from nickel coins, and is taken at ₹2·01 lakhs more than the Revised estimate for the current year.

Revised, 1914-15.

Budget, 1915-16.

EXPENDITURE.

73. The Revised estimate for 1914-15 exceeds the Budget by ₹5·27 lakhs. A loss of ₹7 lakhs will accrue from the return of bronze coins from circulation, which will necessitate the write-off of past profits credited as Mint revenue. Apart from this special item, for which no provision was made in the Budget, there will be a saving of ₹1·73 lakhs in the Budget grants, owing chiefly to a reduced programme of coinage of nickel and bronze coins. The Budget estimate for 1915-16 provides for sanctioned establishments and normal operations.

Revised, 1914-15.

Budget, 1915-16.

18.—GENERAL ADMINISTRATION.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
INDIA.	₹	₹	₹	₹	₹	₹
Imperial.						
1. Cost of the Central Government: (i) Salary and expenses of the Governor-General	11,20,363	11,46,704	11,28,036	11,47,000	12,22,000	11,52,000
(ii) Executive Council	4,63,122	4,76,853	4,86,820	4,84,000	4,95,000	4,84,000
(iii) Legislative Council	1,47,798	1,32,026	1,70,712	1,46,000	1,73,000	1,73,000
(iv) Charges of the Secretariats	36,21,923	35,65,399	35,39,737	34,10,000	36,94,000	35,36,000
2. Offices of Account and Audit	37,26,608	37,53,875	38,46,612	40,65,000	39,52,000	39,78,000
3. Currency Department and Reserve Treasury	6,52,274	6,82,687	8,18,972	8,37,000	8,60,000	9,46,000
4. Payments to Presidency Banks for treasury and public debt work	3,57,710	3,66,231	3,74,081	3,74,000	3,81,000	3,86,000
5. Ajmer-Merwara Administration, etc.	6,099	4,074	2,086	3,000	3,000	3,000
6. Royal visit and Coronation Durbar	66,66,058	50,276	...	...	...	...
7. Delhi	...	32,635	94,836	92,000	85,000	88,000
8. North-West Frontier Administration	3,09,152	3,64,422	3,11,794	3,38,000	3,24,000	3,56,000
Total	1,70,71,107	1,05,75,182	1,07,73,686	1,08,96,000	1,11,89,000	1,11,02,000
Provincial.						
1. Central Provinces	10,69,052	8,68,131	9,30,430	10,00,000	9,79,000	9,10,000
2. Burma	19,07,353	15,13,442	15,16,202	15,77,000	15,89,000	16,05,000
3. Assam	...	6,04,804	5,83,597	5,71,000	6,26,000	6,45,000
4. Bengal (new)	...	25,46,712	24,29,759	23,53,000	24,08,000	23,74,000
5. Bihar and Orissa	...	11,84,144	13,47,288	13,85,000	13,28,000	14,48,000
6. United Provinces	19,63,228	17,15,992	17,31,053	17,00,000	17,61,000	18,80,000
7. Punjab	13,64,724	12,44,915	12,20,574	12,06,000	13,42,000	12,28,000
8. Madras	18,19,549	13,99,496	14,26,839	13,86,000	15,35,000	14,93,000
9. Bombay	27,54,973	17,90,470	19,37,196	18,80,000	21,63,000	21,29,000
Eastern Bengal and Assam	18,89,451	...	...	...	...	...
Bengal (old)	29,18,136	...	...	...	...	...
Total	1,56,86,466	1,28,68,106	1,31,22,938	1,30,58,000	1,37,31,000	1,37,12,000
TOTAL INDIA	3,27,57,573	2,34,43,288	2,38,96,624	2,39,54,000	2,49,20,000	2,48,14,000
Equivalent in Sterling	£ 2,183,838	£ 1,562,886	£ 1,593,108	£ 1,596,900	£ 1,661,300	£ 1,654,300
ENGLAND.						
1. Cost of the Secretary of State's establishment, etc.	266,485	268,954	269,232	269,700	268,700	272,200
2. Stores, etc., for India	114,442	111,949	121,307	134,600	140,000	93,000
3. Royal Visit and Coronation Durbar	61,476	293	...	...	...	...
TOTAL £	442,403	381,196	390,539	404,300	408,700	365,200
GRAND TOTAL £	2,626,241	1,944,082	1,983,647	2,001,200	2,070,000	2,019,500

(*a*) *India—Imperial.*

Revised, 1914-15.

74. The total expenditure in 1914-15 is likely to exceed the Budget provision by R2·93 lakhs There will be an increase of R2·84 lakhs in the charges of the Secretariats, and of R·75 lakh in the salary and expenses of the Governor General, owing mainly to telegram charges and other incidental expenditure which have been necessitated by the war. On the other hand, there will be a saving of R1·13 lakhs in the expenditure of the Audit and Account Department, in consequence of a lapse in the grant for the revision of establishments in certain offices.

Budget, 1915-16.

75. The Budget grant for 1915-16 is placed at R·87 lakh less than the Revised estimate for the current year. A decrease of R1·58 lakhs is anticipated in the charges of the Secretariats, and of R·70 lakh in the salary and expenses of the Governor General, owing to a possible reduction in some of the items of special expenditure connected with the war. Provision has generally been made for sanctioned establishments; but in the case of the Currency Department, a special allotment has been made for a necessary revision of establishments.

(*b*) *Provincial.*

Revised, 1914-15.

76. The total Revised for 1914-15 exceeds the Budget estimate by R6·73 lakhs. Important excesses over the Budget grant are expected in Bombay (R2·83 lakhs), due mainly to (1) the cost of establishments entertained, and postage and telegram charges incurred, in the Secretariat in consequence of work arising from the war, (2) the remission of certain contributions hitherto recovered from district boards towards the cost of Government establishments, and (3) the purchase of furniture and equipment for the Government Houses in the Presidency; in Madras (R1·49 lakhs), in consequence of the employment of officers on special duty in the Secretariat as well as of telegram charges and other incidental expenditure incurred in connection with the war; and in the Punjab (R1·36 lakhs), owing to the construction of an additional railway saloon for the head of the province and other causes.

Budget, 1915-16.

77. The total Budget estimate for 1915-16 is R·19 lakh less than the Revised for 1914-15. There is a rise of R1·20 lakhs in Bihar and Orissa, owing to a provision for new railway saloons for the head of the province; and of R1·19 lakhs in the United Provinces, in consequence of an allotment for the creation of an Executive Council. But these increases, and smaller excesses in Burma and Assam, are more than counterbalanced by a decrease of R1·14 lakhs in the Punjab and by less important reductions in the remaining provinces, due mainly to the absence of certain items of special expenditure which have been incurred in the current year.

(*c*) *England.*

Revised, 1914-15.

78. The Revised estimate for 1914-15 exceeds the Budget by £4,400, while the Budget for 1915-16 is less than the Revised estimate for the current year by £43,500. The variations in both years occur mainly in the outlay on the purchase of stores for India.

Budget, 1915-16.

XVI A and 19 A.—LAW AND JUSTICE—COURTS OF LAW.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
Imperial.						
1. India General . .	3,27,874	3,51,532	3,29,321	3,15,000	3,63,000	3,68,000
2. Delhi . . .	...	58,774	1,61,864	1,84,000	2,50,000	1,70,000
3. Baluchistan . .	22,627	20,077	19,834	24,000	23,000	24,000
4. North-West Frontier	5,79,956	6,16,006	6,19,800	6,37,000	6,49,000	6,68,000
Total .	9,30,457	10,46,389	11,31,319	11,60,000	12,85,000	12,30,000
Provincial.						
1. Central Provinces .	25,24,371	25,77,687	27,86,972	27,78,000	28,14,000	29,41,000
2. Burma . . .	47,65,061	48,24,039	48,81,629	50,40,000	50,19,000	52,07,000
3. Assam . . .	...	9,09,112	9,33,847	9,55,000	10,09,000	10,68,000
4. Bengal (new) . .	...	96,39,400	1,00,37,547	99,53,000	1,03,04,000	1,01,24,000
5. Bihar and Orissa .	...	31,23,331	32,98,531	34,60,000	34,90,000	34,91,000
6. United Provinces .	62,23,925	61,61,393	63,90,754	65,67,000	66,58,000	67,45,000
7. Punjab . . .	42,17,010	42,17,547	42,55,055	44,08,000	46,56,000	46,94,000
8. Madras . . .	62,19,485	66,61,302	69,67,819	70,21,000	82,98,000	84,56,000
9. Bombay . .	55,30,750	56,69,312	56,36,537	57,49,000	57,82,000	57,29,000
Eastern Bengal and Assam . . .	49,95,633	...	...	...	...	...
Bengal (old) . .	92,76,209	...	...	...	...	...
Total .	4,37,52,444	4,37,83,123	4,51,88,691	4,59,31,000	4,80,30,000	4,84,55,000
TOTAL INDIA . ₹	4,46,82,901	4,48,29,512	4,63,20,010	4,70,91,000	4,93,15,000	4,96,85,000
Equivalent in Sterling £	2,978,860	2,988,634	3,088,001	3,139,400	3,287,700	3,312,300
England . . £	3,136	1,668	159	1,000	1,300	700
TOTAL £	2,981,996	2,990,302	3,088,160	3,140,400	3,289,000	3,313,000

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
Imperial.						
1. India General . .	1,56,543	76,782	95,487	3,90,000	3,10,000	3,19,000
2. Delhi . . .	...	9,702	20,624	22,000	17,000	20,000
3. Baluchistan . .	23,847	24,410	27,413	26,000	26,000	25,000
4. North-West Frontier	1,10,253	1,12,889	1,44,782	1,50,000	1,50,000	1,50,000
Total .	2,90,643	2,23,783	2,88,306	5,88,000	5,03,000	5,14,000
Provincial.						
1. Central Provinces .	2,06,735	2,35,053	2,89,281	3,00,000	2,65,000	2,57,000
2. Burma . . .	5,50,824	6,47,791	6,84,281	6,68,000	6,66,000	6,79,000
3. Assam . . .	...	1,15,132	1,25,675	1,22,000	1,38,000	1,38,000
4. Bengal (new) . .	...	8,14,901	8,42,811	8,95,000	8,62,000	9,13,000
5. Bihar and Orissa .	...	2,80,076	2,69,601	2,70,000	2,90,000	2,80,000
6. United Provinces .	6,48,725	6,80,041	6,77,355	6,88,000	7,41,000	7,08,000
7. Punjab . . .	4,34,527	4,88,534	5,54,353	5,36,000	6,39,000	6,78,000
8. Madras . . .	9,22,333	10,63,626	10,94,576	11,23,000	11,30,000	11,47,000
9. Bombay . .	6,57,846	7,31,828	7,80,626	7,60,000	8,50,000	8,20,000
Eastern Bengal and Assam . .	4,51,058	...	...	...	...	...
Bengal (old) . .	6,92,199	...	...	...	...	...
Total .	45,64,247	50,56,982	53,18,559	53,62,000	55,81,000	56,20,000
TOTAL ₹	48,54,890	52,80,765	56,06,865	59,50,000	60,84,000	61,34,000
Equivalent in Sterling £	323,660	352,051	373,791	396,700	405,600	408,900

EXPENDITURE.

(*a*) *Imperial.*

79. The total expenditure in 1914-15 is likely to exceed the Budget provision by R1·25 lakhs, mainly in consequence of charges connected with the Delhi conspiracy case. The Budget estimate for 1915-16 is less than the Revised for the current year by R·55 lakh, mainly owing to the absence of the special expenditure in Delhi mentioned above. Provision has generally been made for sanctioned establishments. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Provincial.*

80. The total Revised estimate for 1914-15 exceeds the Budget by R20·99 lakhs. The increase is shared by all the provinces, with the exception of Burma. The bulk of it is contributed by Madras (R12·77 lakhs), and is due chiefly to a change in the method of distributing the charges of district administration between "3—Land Revenue" and "19 A—Courts of Law" (see paragraph 13). Important excesses over Budget grants are also expected in the Punjab (R2·48 lakhs), mainly owing to charges connected with the Delhi conspiracy case, and the payment of grain compensation allowance to establishments; and in Bengal (R3·51 lakhs), chiefly in consequence of (1) larger expenditure in connection with political cases, and (2) the payment of grain compensation allowance to establishments, and of arrears of salary in connection with the revision of the subordinate judicial service. Here too, a general factor which has contributed to increased expenditure in all the provinces is the restriction imposed on the grant of leave out of India and the temporary introduction of minimum rates of pay for members of the Indian Civil Service. *Revised, 1914-15.*

81. The total Budget for 1915-16 is R4·25 lakhs higher than the Revised estimate for 1914-15. Provision for the full cost of sanctioned establishments has been made in all the provinces, and it is assumed that the restriction on the grant of leave out of India will continue to be in force throughout the ensuing year. Lump allotments have been made in the United Provinces for additional temporary courts, and in the Punjab for the revision of clerical establishments. A reduction of expenditure is expected in Bengal (R1·80 lakhs), and in Bombay (R·53 lakh), owing to smaller payments in civil and criminal cases, and to the absence in the former province of the payment of arrears of salary made to members of the subordinate judicial service in the current year. *Budget, 1915-16.*

REVENUE.

(*a*) *Imperial.*

82. The total Revised estimate for 1914-15 is less than the Budget by R·85 lakh, mainly in consequence of smaller receipts from the transfer to Government, under the operation of section 52 of Act III of 1913, of certain assets in the charge of the Administrator General, Bengal, which have remained unclaimed for 12 years. The revenue in 1915-16 is not expected to differ materially from the Revised estimate of the current year. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Provincial.*

83. The total revenue in the current year is likely to exceed the Budget estimate by R2·19 lakhs, the improvement occurring mainly under magisterial fines in several provinces and under receipts in Bombay under section 23 of Act II of 1913. The Budget for 1915-16 provides for normal receipts in all the provinces. *Revised, 1914-15.* *Budget, 1915-16.*

XVI B and 19 B.—LAW AND JUSTICE—JAILS.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	16,50,412	16,41,340	16,67,987	16,93,000	17,56,000	17,06,000
2. Delhi	...	22,484	64,366	65,000	70,000	70,000
3. Baluchistan	31,365	29,652	34,001	32,000	30,000	33,000
4. North-West Frontier	1,47,837	1,51,779	2,09,693	2,07,000	2,14,000	2,37,000
TOTAL	18,29,614	18,45,255	19,76,047	19,97,000	20,70,000	20,46,000
Provincial.						
1. Central Provinces	5,52,623	5,61,448	6,80,139	6,56,000	6,81,000	6,80,000
2. Burma	13,60,332	15,66,335	18,32,603	16,08,000	15,03,000	15,13,000
3. Assam	...	2,48,796	2,72,251	2,91,000	2,88,000	3,47,000
4. Bengal (new)	...	19,61,832	22,62,882	20,76,000	23,78,000	21,95,000
5. Bihar and Orissa	...	11,80,570	14,54,178	13,56,000	14,96,000	15,71,000
6. United Provinces	18,09,551	18,23,882	20,59,519	21,21,000	23,00,000	21,66,000
7. Punjab	12,27,575	13,14,605	14,27,260	15,00,000	15,81,000	17,32,000
8. Madras	14,06,873	13,89,871	14,99,324	15,51,000	15,62,000	16,09,000
9. Bombay	11,35,616	12,00,733	12,76,989	12,36,000	12,80,000	12,87,000
Eastern Bengal and Assam	9,31,926	...	...	...	...	...
Bengal (old)	23,86,876	...	...	...	...	...
TOTAL	1,08,11,372	1,12,48,072	1,27,65,145	1,23,95,000	1,30,69,000	1,31,00,000
TOTAL INDIA ₹	1,26,40,986	1,30,93,327	1,47,41,192	1,43,92,000	1,51,39,000	1,51,46,000
Equivalent in Sterling £	842,732	872,889	982,746	959,400	1,009,300	1,009,800
England £	...	799	157	200	...	...
TOTAL £	842,732	873,688	982,908	959,600	1,009,300	1,009,800

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	3,49,438	3,51,785	4,03,586	3,87,000	3,69,000	3,68,000
2. Delhi	...	9,392	31,555	20,000	30,000	28,000
3. Baluchistan	734	777	829	1,000	1,000	1,000
4. North-West Frontier	24,911	26,077	32,562	37,000	35,000	37,000
TOTAL	3,75,083	3,88,031	4,68,532	4,45,000	4,35,000	4,34,000
Provincial.						
1. Central Provinces	2,27,714	2,31,183	2,81,162	3,04,000	3,04,000	2,76,000
2. Burma	4,34,550	4,59,258	4,93,229	4,81,000	4,19,000	4,65,000
3. Assam	...	80,424	91,022	87,000	1,01,000	1,02,000
4. Bengal (new)	...	7,03,353	6,71,947	7,23,000	7,31,000	7,60,000
5. Bihar and Orissa	...	6,43,671	7,26,397	6,60,000	7,00,000	8,10,000
6. United Provinces	3,62,682	3,66,917	3,73,035	3,81,000	3,61,000	3,82,000
7. Punjab	3,40,887	3,24,563	3,93,642	3,70,000	4,50,000	5,00,000
8. Madras	4,63,989	5,48,948	5,44,928	5,50,000	6,00,000	5,50,000
9. Bombay	2,19,507	3,04,589	2,82,232	3,05,000	2,75,000	2,85,000
Eastern Bengal and Assam	3,23,598	...	...	...	...	...
Bengal (old)	10,52,305	...	...	...	...	...
TOTAL	34,25,232	36,62,906	38,58,194	38,61,000	39,41,000	41,30,000
TOTAL ₹	38,00,315	40,50,937	43,26,726	43,06,000	43,76,000	45,64,000
Equivalent in Sterling £	253,354	270,062	288,448	287,100	291,700	304,200

EXPENDITURE.

(*a*) *Imperial.*

84. The increase of R·73 lakh over the Budget grant for 1914-15 is mainly due to higher outlay on commissariat supplies required for the convict settlement at Port Blair. In 1915-16 provision has been made for sanctioned establishments and for normal outlay in other directions. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Provincial.*

85. The total expenditure in 1914-15 will exceed the Budget estimate by R6·74 lakhs. The increase is shared by all the provinces, with the exception of Assam, where an unimportant lapse in the Budget grant is expected, and of Burma, where a large saving of R1·05 lakhs is anticipated owing to smaller outlay on rations which has been rendered possible by the advance purchase made in 1913-14. The rise of expenditure in the other provinces is generally due to a higher growth in the jail population than was allowed for in the Budget, an increase in the cost of dietary consequent on the prevalence of high prices in several provinces, and a larger outlay on the purchase of raw materials. *Revised, 1914-15.*

86. The total Budget for 1915-16 is higher than the Revised estimate for 1914-15 by R·31 lakh. The grants are generally based on the sanctioned scale of establishments, the probable jail population and normal outlay on raw materials. *Budget, 1915-16.*

REVENUE.

(*a*) *Imperial.*

87. The figures show little variation.

(*b*) *Provincial.*

88. The increase of R·80 lakh in the revenue in the current year over the Budget estimate is chiefly due to a higher demand for jail-made articles in the Punjab. The variations in the other provinces cancel one another and call for no remark. The Budget estimate for 1915-16 provides generally for normal receipts. In Bihar and Orissa, an increase of R1·10 lakhs is expected over the Revised estimate for 1914-15 owing to a probable increase in the receipts from the sale of jail manufactures. *Revised, 1914-15.* *Budget, 1915-16.*

XVII AND 20.—POLICE.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	9,51,235	9,17,991	10,37,218	10,67,000	11,34,000	10,74,000
2. Delhi	...	1,56,022	3,92,675	4,25,000	4,32,000	4,07,000
3. Baluchistan	4,19,242	4,13,677	5,11,605	6,80,000	6,15,000	6,42,000
4. North-West Frontier	16,31,901	15,76,157	17,05,508	18,13,000	17,80,000	18,67,000
Total	30,02,378	30,63,847	36,47,006	39,85,000	39,61,000	39,90,000
Provincial.						
1. Central Provinces	33,45,697	33,31,457	34,11,226	34,30,000	35,10,000	36,21,000
2. Burma	1,26,76,077	1,29,23,819	1,31,18,008	1,36,50,000	1,35,81,000	1,36,08,000
3. Assam	...	22,10,987	23,87,928	25,76,000	23,92,000	25,29,000
4. Bengal (new)	...	83,99,859	94,71,081	1,08,98,000	1,03,80,000	1,05,35,000
5. Bihar and Orissa	...	41,31,415	45,76,942	48,98,000	47,57,000	48,52,000
6. United Provinces	1,10,42,737	1,08,84,795	1,11,39,477	1,23,11,000	1,23,92,000	1,24,24,000
7. Punjab	58,63,176	58,54,374	58,93,463	60,65,000	61,19,000	64,26,000
8. Madras	84,59,187	88,16,509	92,47,539	95,21,000	1,09,94,000	1,12,26,000
9. Bombay	1,01,50,038	1,02,32,594	1,00,57,735	1,06,95,000	1,05,05,000	1,12,04,000
Eastern Bengal and Assam	58,09,322	...	...	...	...	...
Bengal (old)	86,70,975	...	...	...	...	...
Total	6,60,17,209	6,67,85,809	6,93,03,399	7,40,44,000	7,46,30,000	7,64,25,000
TOTAL INDIA ₹	6,90,19,587	6,98,49,656	7,29,50,405	7,80,29,000	7,85,91,000	8,04,15,000
Equivalent in Sterling £	4,601,306	4,656,644	4,863,360	5,201,900	5,239,400	5,361,000
England £	1,671	1,356	1,630	1,300	1,200	1,300
TOTAL £	4,602,977	4,658,000	4,864,990	5,203,200	5,240,600	5,362,300

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	25,283	18,672	18,562	25,000	21,000	19,000
2. Delhi	...	6,850	4,432	5,000	5,000	6,000
3. Baluchistan	11,243	10,448	14,865	14,000	15,000	15,000
4. North-West Frontier	22,980	31,003	20,782	30,000	32,000	33,000
Total	59,506	66,973	58,641	74,000	73,000	73,000
Provincial.						
1. Central Provinces	32,530	26,211	26,002	27,000	25,000	26,000
2. Burma	2,78,707	4,97,655	4,61,975	4,55,000	5,29,000	5,91,000
3. Assam	...	1,08,099	1,22,398	1,26,000	1,37,000	1,31,000
4. Bengal (new)	...	2,39,082	1,56,684	1,77,000	1,87,000	1,86,000
5. Bihar and Orissa	...	53,983	46,517	49,000	38,000	41,000
6. United Provinces	91,032	97,089	1,01,626	87,000	87,000	1,04,000
7. Punjab	1,78,998	1,98,478	2,03,666	1,94,000	1,61,000	1,67,000
8. Madras	4,75,445	5,00,043	4,88,562	4,82,000	4,91,000	4,96,000
9. Bombay	3,88,184	2,45,679	2,89,014	2,36,000	2,55,000	2,86,000
Eastern Bengal and Assam	1,42,913	...	...	...	...	...
Bengal (old)	1,93,750	...	...	...	...	...
Total	17,81,559	19,66,319	18,96,444	18,33,000	19,10,000	20,28,000
TOTAL ₹	18,41,065	20,33,292	19,55,085	19,07,000	19,83,000	21,01,000
Equivalent in Sterling £	122,738	135,553	130,339	127,100	132,200	140,100

EXPENDITURE.

(*a*) *Imperial.*

89. The total expenditure in 1914-15 will fall short of the Budget provision by R·24 lakh. An excess of R·67 lakh under India General, due mainly to a rise in the charges of the Central Criminal Investigation Department, will be more than counterbalanced by lapses in ordinary grants in Baluchistan and in the North-West Frontier Province, and by a partial utilisation of the special allotment for police reorganization in the former province. In the Budget estimate for 1915-16, provision has been made for the full sanctioned strength of the police in the various minor administrations, and for the introduction of a further instalment of reforms in Baluchistan. A reduction is anticipated in the charges of the Central Criminal Investigation Department and of the Delhi province, owing to the absence of the special expenditure incurred in the current year in connection with the Delhi conspiracy case. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Provincial.*

90. The Revised estimate for 1914-15 exceeds the Budget by R5·86 lakhs. There is a large increase of R14·73 lakhs in Madras, due chiefly to the transfer from "3—Land Revenue" to "20—Police" of the charges of certain village servants, and to higher expenditure on the reclamation of criminal tribes. Excesses over Budget grants are also expected in the Central Provinces, the United Provinces and the Punjab, owing mainly to the restriction on the grant of leave out of India and the payment of grain compensation allowance in the last two provinces. The excesses in the United Provinces and the Punjab would have been larger, but for (1) the non-utilisation of the provision for the payment from Provincial revenues of village police in Gorakhpur, and for the substitution of regular police for town-watchmen in the Punjab, and (2) the recovery from certain railway administrations in the Punjab of arrears of contribution towards the cost of railway police. In the other provinces, the expenditure will fall short of the Budget estimate, owing to lapses in ordinary grants and in the special allotments for police reforms. In Burma, a portion of the saving will be utilised to augment temporarily the strength of the mounted police. *Revised, 1914-15.*

91. The Budget estimate for 1915-16 is taken at R17·95 lakhs higher than the Revised estimate for the current year. The estimates provide generally for the full cost of sanctioned establishments and of the schemes of reform which have already been introduced, and they are framed on the assumption that the orders restricting the grant of leave out of India will remain in operation throughout the ensuing year. Provision for further reforms of an urgent character has also been made in Bombay, Bengal, Assam and some other provinces. *Budget, 1915-16.*

REVENUE.

(*a*) *Imperial.*

92 The figures show little variation and call for no remark.

(*b*) *Provincial.*

93. The variations between the Budget and Revised estimates of the current year, and between the latter and the Budget estimate for 1915-16, are mainly due to higher recoveries on account of punitive police employed in certain tracts in Burma.

XVIII AND 21.—PORTS AND PILOTAGE.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revise .	Budget, 1915-1916.
Provincial.						
1. Burma . . .	12,64,225	13,28,580	13,49,167	13,78,000	14,79,000	14,61,000
2. Assam . . .	...	63,048	60,902	55,000	55,000	54,000
3. Bengal (new) . .	...	12,16,009	14,28,377	15,39,000	13,74,000	14,76,000
4. Bihar and Orissa .	...	1,080	957	1,000	1,000	7,000
5. Madras . . .	21,138	41,145	45,677	36,000	37,000	45,000
6. Bombay . . .	70,516	64,813	1,81,310	2,88,000	2,43,000	1,89,000
Eastern Bengal and Assam . .	1,13,059	...	...	...	...	...
Bengal (old) . .	12,55,725	...	...	...	...	...
Total India ₹	27,24,663	27,14,675	30,66,390	32,97,000	31,89,000	32,32,000
Equivalent in Sterling £	181,644	180,978	2,04,426	219,800	212,600	215,400
England . £	46	104	200	100	100	100
TOTAL . £	181,690	181,082	204,626	219,900	212,700	215,500

REVENUE.

	Accounts, 1911-1912.	Accounts 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Provincial.						
1. Burma . . .	4,83,315	4,96,172	5,18,919	5,33,000	4,34,000	4,84,000
2. Assam . . .	...	84	...	...	...	...
3. Bengal (new) . .	...	17,52,191	16,76,604	17,16,000	15,25,000	16,20,000
4. Bihar and Orissa .	...	127	...	...	...	...
5. Madras . .	105	160	86	...	...	...
6. Bombay . . .	97,033	1,02,450	1,08,524	1,09,000	1,24,000	1,59,000
Eastern Bengal and Assam . .	9,509	...	...	...	...	...
Bengal (old) . .	16,86,090	...	...	...	...	...
TOTAL ₹	22,76,052	23,51,184	23,04,133	23,58,000	20,83,000	22,63,000
Equivalent in Sterling £	151,737	156,746	153,609	157,200	138,900	150,900

EXPENDITURE.

Revised, 1914-15.

94. The total expenditure in 1914-15 is expected to fall short of the Budget provision by ₹1·08 lakhs. There will be a saving of ₹1·65 lakhs in Bengal, due mainly to a reduction in the charges of pilot establishments consequent on the dislocation of trade, and the non-payment of a contribution to the Chittagong Port for the purchase of a dredger; and of ₹·45 lakh in Bombay owing to a lapse in the provision for a light vessel off the Sind coast. On the other hand, the expenditure in Burma will exceed the Budget estimate by ₹1·01 lakhs, mainly in consequence of higher requirements for stores.

Budget, 1915-16.

The total Budget estimate for 1915-16 exceeds the Revised estimate for the current year by ₹·43 lakh. There is an increase of ₹1·02 lakhs in Bengal, where some allowance has been made for an improvement in trade conditions. But, on the other hand, a reduction is anticipated in Bombay in the outlay on the construction and maintenance of additional lights off the Sind coast.

REVENUE.

Revised, 1914-15.

95. The falling off of ₹2·75 lakhs in the revenue in 1914-15, as compared with the Budget estimate, is caused chiefly by the dislocation of the seaborne trade in consequence of the war.

Budget, 1915-16.

The Budget estimate for 1915-16 anticipates some revival of trade in the ensuing year, and exceeds the Revised estimate for 1914-15 by ₹1·80 lakhs.

XIX AND 22.—EDUCATION.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India, General .	5,04,754	7,64,023	9,15,504	15,33,000	9,36,000	9,33,000
2. Delhi . . .	...	1,25,857	1,42,855	2,25,000	2,34,000	1,56,000
3. Baluchistan . .	46,688	74,131	1,06,852	98,000	79,000	1,05,000
4. North-West Frontier	1,60,938	6,71,542	4,87,539	4,52,000	4,86,000	5,42,000
Total .	7,12,380	16,35,553	16,52,750	23,08,000	17,35,000	17,36,000
Provincial.						
1. Central Provinces .	17,82,548	21,16,637	22,02,034	33,94,000	25,85,000	34,04,000
2. Burma . . .	20,21,673	23,44,622	29,23,909	30,41,000	32,16,000	31,34,000
3. Assam . . .	...	9,73,071	12,15,892	19,39,000	16,06,000	15,29,000
4. Bengal (new) . .	...	73,76,829	81,12,515	1,45,43,000	85,23,000	1,05,62,000
5. Bihar and Orissa .	...	27,48,204	38,34,826	43,78,000	36,12,000	37,65,000
6. United Provinces .	48,36,149	56,64,135	78,58,337	78,25,000	71,32,000	67,31,000
7. Punjab . . .	23,55,101	34,46,682	44,69,352	42,03,000	41,99,000	44,66,000
8. Madras . . .	45,66,761	65,53,050	79,51,125	79,42,000	79,38,000	77,69,000
9. Bombay . .	48,72,655	61,35,165	72,75,648	1,02,76,000	79,26,000	76,86,000
Eastern Bengal and Assam . .	31,58,532	...	...	...	...	...
Bengal (old) . .	58,54,112	...	...	...	...	...
Total .	2,94,47,531	3,73,58,345	4,58,43,638	5,75,41,000	4,67,37,000	4,90,46,000
TOTAL INDIA ₹	3,01,59,911	3,89,93,898	4,74,96,388	5,98,49,000	4,84,72,000	5,07,82,000
Equivalent in Sterling £	2,010,661	2,599,593	3,166,426	3,989,900	3,231,400	3,385,500
England . . £	10,528	10,539	10,383	10,000	10,300	9,300
TOTAL .	2,021,189	2,610,132	3,176,809	3,999,900	3,241,700	3,394,800

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India, General .	30,607	30,495	38,175	40,000	37,000	37,000
2. Delhi . . .	...	6,854	18,450	12,000	19,000	17,000
3. Baluchistan . .	13,451	14,075	17,996	19,000	19,000	19,000
4. North-West Frontier	848	671	13,173	21,000	25,000	23,000
TOTAL .	44,906	52,095	87,794	92,000	1,00,000	96,000
Provincial.						
1. Central Provinces .	1,46,171	1,99,888	2,03,667	2,28,000	2,16,000	2,29,000
2. Burma . . .	2,17,634	2,39,831	2,89,331	3,25,000	3,60,000	3,85,000
3. Assam . . .	...	1,14,026	1,34,639	1,44,000	1,65,000	1,72,000
4. Bengal (new) . .	...	7,77,676	8,10,953	8,62,000	8,12,000	8,86,000
5. Bihar and Orissa .	...	2,31,122	2,69,993	2,83,000	2,90,000	3,34,000
6. United Provinces .	4,85,072	5,11,992	6,08,851	5,88,000	6,04,000	6,19,000
7. Punjab . . .	3,91,763	4,37,675	4,49,433	4,99,000	4,66,000	4,83,000
8. Madras . . .	3,22,612	2,96,297	3,11,011	2,99,000	3,20,000	3,21,000
9. Bombay . .	4,54,345	5,31,281	5,52,899	5,21,000	5,49,000	5,99,000
Eastern Bengal and Assam . .	3,39,867	...	...	...	...	...
Bengal (old) . .	6,81,783	...	...	...	...	...
TOTAL .	30,39,247	33,39,788	36,30,777	37,49,000	37,82,000	40,28,000
TOTAL INDIA ₹	30,84,153	33,91,883	37,18,571	38,41,000	38,82,000	41,24,000
Equivalent in Sterling £	205,610	226,126	247,905	256,100	258,800	274,900

EXPENDITURE.

(a) *Imperial.*

Revised, 1914-15.

96. The Revised estimate for 1914-15 is less than the Budget by R5·73 lakhs A portion of the saving is nominal and is caused by (1) the assignment to Provincial Governments of R2·42 lakhs out of the reserve for educational requirements, for which Budget provision was made under Education, and (2) the record under Medical and other heads of account of grants aggregating R2·60 lakhs made from this reserve for the Lady Hardinge Medical College for Women, Delhi, the improvement of British and Indian Army schools and other objects. The balance of the decrease is due to lapses in ordinary grants.

97. The reserve of R7·58 lakhs provided in the Budget out of the recurring appropriation of R124 lakhs from Imperial revenues for the improvement of education has been utilized as shown below:—

		R lakhs.
(*i*) Assigned to Provincial Governments { recurring		·84
{ non-recurring		1·58
(*ii*) Allotted for recurring expenditure on the improvement of British and Indian Army schools		1·00
(*iii*) Allotted for recurring expenditure in Minor Administrations—		
(*a*) Delhi (inclusive of R1 lakh for the Lady Hardinge Medical College for Women)	1·03	
(*b*) North-West Frontier Province	·57	
(*c*) Other tracts	·15	
		1·75
(*iv*) Allotted for non-recurring expenditure in Minor Administrations, etc.—		
(*a*) Delhi (inclusive of R1 lakh for the St. Stephen's College)	1·06	
(*b*) Other Minor Administrations, etc.	1·35	
		2·41
Grand Total		7·58

Budget, 1915-16.

98. The total Budget estimate for 1915-16 does not differ materially from the Revised estimate for 1914-15. The latter includes certain non-recurring grants, *e.g.*, one of R2 lakhs to the Indian Institute of Science, Bangalore. The saving caused by the absence of these items of expenditure in the Budget for 1915-16 is counterbalanced by provision (1) for increased outlay in the North-West Frontier Province and Baluchistan on grants-in-aid and other objects, and (2) for a reserve of R2·19 lakhs for educational requirements. This reserve represents the portion of the special appropriation of R124 lakhs mentioned in paragraph 97 which has not yet been assigned permanently to Provincial Governments or allotted for recurring expenditure in minor administrations, etc. It will be seen from that paragraph that a sum of R3·99 lakhs out of this special appropriation was utilized in 1914-15 on non-recurring assignments to Provincial Governments and on non-recurring expenditure in minor administrations, etc., and this sum is accordingly available for redistribution in 1915-16. The amount has been allotted as follows in the Budget estimate for the ensuing year:—

	R lakhs.
(*i*) Assigned to Provincial Governments { recurring	·17
{ non-recurring	1·42
(*ii*) Minor Administrations, etc. { recurring	·17
{ non-recurring	·04
(*iii*) Unallotted reserve	2·19
Total	3·99

(b) *Provincial.*

Revised, 1914-15.

99. The total expenditure in 1914-15 is expected to be R108·04 lakhs less than the Budget estimate. The latter included special allotments under this head, aggregating about R242 lakhs from the recurring and

non-recurring assignments made from Imperial revenues in recent years for the development and improvement of education. Out of these allotments the expenditure expected in 1914-15 is about R149 lakhs only, of which R139 lakhs will be recorded under Education, while the balance will appear under Civil Works. Under the former head there is thus a decrease of about R103 lakhs, as compared with the Budget provision, in the outlay from special Imperial grants; and the expenditure from other Provincial resources will accordingly fall short of the corresponding budget provision by about R5 lakhs. This decrease is the net result of a number of variations in several provinces. In Bombay, there is a large saving of about R7 lakhs due to the non-utilisation of the provision for the opening of new primary schools and to lapses in other directions. On the other hand, there is a large excess of about R3 lakhs in the United Provinces owing to larger payment of educational contributions to district boards in connection with the revision of the financial settlements made with them.

Budget, 1915-16.

100. The Budget estimate for 1915-16 exceeds the Revised estimate for the current year by R23·09 lakhs. Of this increase, about R12 lakhs will be financed from the special assignments made from Imperial revenues in recent years (including the grant of R10 lakhs made in the current year to the Calcutta University which is referred to in paragraph 223 and the whole of which has been made available for expenditure in 1915-16), the provision made under Education for expenditure from these contributions in the Budget for next year amounting to R151 lakhs, against a probable outlay of R139 lakhs in the current year. In spite of the financial situation, most of the Provincial Governments have allotted larger funds from their ordinary Provincial resources for the further development of education in various directions; and the following additions have been made to the Provincial budgets with reference to the recommendations of the respective Finance Committees.

	Lakhs of Rs.	
Assam	1·00	for educational reforms generally.
United Provinces	·74	for grants-in-aid and other objects.
Punjab	1·82	mainly for additional grants-in-aid.
Madras	1·39	mainly for grants for the construction of hostels.

101. The following table shows the progress made by the Provincial Governments in utilising the various non-recurring grants given from Imperial revenues in recent years. To simplify the position, it has been assumed that the whole of the recurring grant for any year is fully utilised before any expenditure is debited against the non-recurring grant

[In lakhs of Rs.]

Province.	Grants to end of 1915-16.	Expenditure.					Unspent balance on 31st March 1916.
		To end of 1913-14.	In 1914-15 (Revised) recorded under		In 1915-16 (Budget) recorded under		
			Education.	Other heads.	Education.	Other heads.	
Central Provinces	23·40	1·87	1·33	3·84	6·10	...	10·26
Burma	33·75	9·32	1·94	4·00	...	...	18·49
Assam	15·70	3·97	2·35	2·90	·74	2·80	2·94
Bengal	1,44·61	27·51	—3·22	11·09	19·09	...	90·14
Bihar and Orissa	41·37	11·35	—2·32	5·69	—1·97	...	28·62
United Provinces	64·95	30·79	8·43	1·48	2·11	2·70	19·44
Punjab	39·34	21·45	5·33	4·00	6·59	1·97	...
Madras	64·44	31·10	6·93	7·73	1·19	1·88	15·61
Bombay	57·77	11·91	1·35	2·57	1·91	...	40·03
Total	485·33	149·27	22·12	43·30	35·76	9·35	225·53

It will be seen that the Punjab expects to spend by the end of 1915-16 the entire balance of the grants allotted to it. The *minus* figure against Bihar and Orissa in 1915-16 indicates that it will not be possible in this province to utilise fully the recurring grant from Imperial revenues for educational expenditure.

REVENUE.

(*a*) *Imperial.*

102. The figures show little variation.

(*b*) *Provincial.*

103. The growth in the number of students in Government schools and colleges generally accounts for the improvements in the receipts in the current year and the further increase allowed for in the Budget of 1915-16.

23.—ECCLESIASTICAL.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	1,58,916	1,74,807	1,72,059	1,90,000	1,86,000	1,95,000
2. Delhi	...	6,187	12,691	12,000	16,000	19,000
3. Baluchistan	23,247	24,451	22,456	21,000	22,000	23,000
4. Central Provinces	75,975	98,420	98,280	1,05,000	1,01,000	1,03,000
5. Burma	1,27,942	1,38,239	1,44,884	1,56,000	1,37,000	1,44,000
6. Assam	...	18,110	16 765	21,000	19,000	21,000
7. Bengal (new)	...	1,91,885	1,84,515	2,00,000	1,97,000	2,08,000
8. Bihar and Orissa	...	31,471	32,243	34,000	32,000	36,000
9. United Provinces	2,53,065	2,69,256	2,71,749	2,72,000	2,60,000	2,82,000
10. Punjab	2,38,743	2,45,303	2,44,884	2,67,000	2,49,000	2,59,000
11. North-West Frontier	38,938	39,660	43,012	45,000	44,000	42,000
12. Madras	3,58,011	3,22,125	3,27,854	3,55,000	3,17,000	3,47,000
13. Bombay	3,43,913	3,27,058	3,42,055	3,40,000	3,30,000	3,46,000
Eastern Bengal and Assam	41,192	...	..	...	...	...
Bengal (old)	2,07,805	...	...	...	...	...
TOTAL INDIA ₹	18,62,747	18,86,972	19,13,457	20,18,000	19,10,000	20,25,000
Equivalent in Sterling £	124,183	125,798	127,564	134,500	127,300	135,000
England £	305	205	148	300	400	300
TOTAL £	124,488	126,003	127,712	134,800	127,700	135,300

104. A saving of ₹1·06 lakhs is expected in the total grant for the current year, chiefly in consequence of the absence of the Lord Bishop of Madras and of some of the Chaplains on leave, and the deputation of others to military duty. In 1915-16 provision has been made for the sanctioned scale of expenditure.

Revised, 1914-15.

Budget, 1915-16.

XX AND 24.—MEDICAL.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	5,78,682	14,54,197	14,26,721	20,73,000	13,62,000	20,89,000
2. Delhi	...	5,30,575	1,85,882	1,42,000	5,36,000	2,36,000
3. Baluchistan	1,02,752	1,50,508	1,14,772	1,31,000	1,12,000	1,14,000
4. North-West Frontier	1,50,170	4,81,431	2,26,251	2,51,000	2,67,000	3,50,000
Total	8,31,604	26,16,711	19,53,626	25,97,000	22,77,000	27,89,000
Provincial.						
1. Central Provinces	9,81,058	10,70,733	11,66,605	19,05,000	15,23,000	13,61,000
2. Burma	21,88,473	21,90,764	20,69,540	22,71,000	32,05,000	20,85,000
3. Assam	...	6,21,244	6,55,611	10,62,000	7,11,000	7,61,000
4. Bengal (new)	...	26,42,133	28,50,459	47,81,000	30,23,000	36,13,000
5. Bihar and Orissa	...	7,26,757	9,14,408	21,49,000	9,56,000	11,61,000
6. United Provinces	30,03,278	28,97,784	37,54,222	44,82,000	32,53,000	29,42,000
7. Punjab	21,26,662	25,82,514	13,72,398	14,37,000	27,91,000	22,73,000
8. Madras	18,27,119	20,51,628	24,86,398	25,17,000	24,99,000	21,10,000
9. Bombay	24,36,270	23,50,042	27,20,970	49,05,000	27,63,000	31,78,000
Eastern Bengal and Assam	12,57,082	...	...	...	...	...
Bengal (old)	25,06,729	...	...	...	...	...
Total	1,63,26,671	1,71,33,599	1,79,90,611	2,55,09,000	2,07,24,000	1,94,84,000
TOTAL INDIA ₹	1,71,58,275	1,97,50,310	1,99,44,237	2,81,06,000	2,30,01,000	2,22,73,000
Equivalent in Sterling £	1,143,885	1,316,687	1,329,616	1,873,700	1,533,400	1,484,900
England £	11,605	10,531	8,319	11,300	6,400	5,100
TOTAL £	1,155,490	1,327,218	1,337,935	1,885,000	1,539,800	1,490,000

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	5,868	5,707	6,036	5,000	6,000	6,000
2. Delhi	...	83	826	2,000	1,000	1,000
3. Baluchistan	1,694	1,705	1,880	2,000	...	...
4. North-West Frontier	96	352	181	...	2,000	1,000
OTAL	7,658	7,847	8,923	9,000	9,000	8,000
Provincial.						
1. Central Province	15,568	19,587	17,386	18,000	16,000	18,000
2. Burma	1,02,072	1,11,886	1,04,390	1,11,000	1,05,000	1,11,000
3. Assam	...	18,709	23,920	25,000	25,000	26,000
4. Bengal (new)	...	4,26,733	4,20,307	3,97,000	3,75,000	3,80,000
5. Bihar and Orissa	..	16,207	13,852	16,000	17,000	19,000
6. United Provinces	54,592	54,057	72,455	1,41,000	2,18,000	2,15,000
7. Punjab	50,157	91,339	64,731	62,000	73,000	82,000
8. Madras	1,27,362	1,53,648	1,91,716	1,27,000	1,55,000	1,45,000
9. Bombay	2,44,092	3,25,370	2,77,970	2,60,000	3,00,000	2,90,000
Eastern Bengal and Assam	50,508	...	...	...	...	...
Bengal (old)	3,37,817	...	...	...	...	...
TOTAL	9,82,168	12,18,136	11,86,757	11,57,000	12,84,000	12,86,000
TOTAL INDIA ₹	9,89,826	12,25,983	11,95,680	11,66,000	12,93,000	12,94,000
Equivalent in Sterling £	65,988	81,732	79,712	77,700	86,200	86,300
England £	859	773	676	700	700	600
TOTAL £	66,847	82,505	80,388	78,400	86,900	86,900

EXPENDITURE.

(*a*) *Imperial.*

Revised, 1914-15.

105. The total Revised estimate for 1914-15 is less than the Budget by R3·20 lakhs. The Budget grant for India General included a reserve of R7·80 lakhs for the improvement of sanitation out of the special appropriation of R51 lakhs made for this purpose from Imperial revenues in recent years. From this sum, non-recurring contributions aggregating R5·70 lakhs have been given to Provincial Governments and a non-recurring allotment of R2 lakhs has been made for anti-malarial and other sanitary measures in Delhi, the balance of R·10 lakh being utilised to meet the needs of minor administrations. The resultant reduction in the grant for India General amounts to R7·7 lakhs: the fact that the actual reduction expected (R7·11 lakhs) is a somewhat smaller figure, is due to a partially counterbalancing increase, mainly occurring in the charges of the Director General, Indian Medical Service, and of the Sanitary Commissioner, consequent on a reorganization of establishments. The increase of R3·94 lakhs over the Budget grant for Delhi is due to (1) the special grant of R2 lakhs mentioned above, and (2) the payment of a contribution of R2 lakhs to the Lady Hardinge Medical College, a moiety of which represents the grant for 1913-14 which was not paid in that year, while provision for the other moiety was made in the Budget under "22.—Education." The Revised estimate for the North-West Frontier Province includes a sum of R1 lakh for sanitary grants to local bodies for which provision was made in the Budget under "45.—Civil Works." The resultant excess over the Budget grant for Medical is partially counterbalanced by a refund by the Peshawar Municipality of a contribution paid to it in 1913-14 and by lapses in ordinary grants.

Budget, 1915-16.

106. The total Budget estimate for 1915-16 exceeds the Revised estimate for the current year by R5·12 lakhs. It provides for the cost of sanctioned establishments and allows for the temporary transfer of certain Medical officers to military duty. The Budget for India General includes a reserve of R7·70 lakhs for the improvement of sanitation. This reserve represents the portion of the special appropriation of R51 lakhs referred to in paragraph 105 which has not yet been assigned permanently to Provincial Governments or allotted for recurring outlay in minor administrations, etc. The estimate for Delhi provides for the recurring grant of R1 lakh to the Lady Hardinge Medical College; and the decrease in the Budget, as compared with the Revised estimate for the current year, is due to the absence of the special grant of R2 lakhs for sanitary measures and of the payment to the Lady Hardinge Medical College of the grant for 1913-14, which are included in the Revised estimate (see paragraph 105).

(*b*) *Provincial.*

Revised, 1914-15.

107. The total Revised estimate for 1914-15 is R47·85 lakhs less than the Budget. The latter included special allotments aggregating about R78 lakhs for outlay under Medical from recurring and non-recurring appropriations made from Imperial revenues for the development of sanitation. The amount of expenditure out of these special Imperial subventions in the current year, which will be recorded under Medical, is now estimated at about R48 lakhs, *i.e.*, R30 lakhs less than the Budget provision. Apart from outlay out of the special Imperial grants, the expenditure in 1914-15 will thus fall short of the Budget grants by about R18 lakhs. The saving, which is shared by all the provinces, is generally due to the transfer to temporary military duty of officers of the Indian Medical Service in Civil employ and to lapses in the allotments for ordinary and plague expenditure. The excesses over Budget grants shown against Burma and the Punjab in the table on page 66 are nominal, and are caused by the record under Medical of certain items of expenditure, budget provision for which was made under "45.—Civil Works."

Budget, 1915-16.

108. The Budget estimate for 1915-16 is less than the Revised for 1914-15 by R12·40 lakhs. The decrease occurs wholly in the outlay from special

Imperial grants for which a provision of about R34 lakhs has been made in the Budget under Medical, against a probable expenditure of R48 lakhs under the same head in the current year. Provision has generally been made for the full cost of sanctioned establishments, due allowance being made for the temporary transfer from civil to military duty of a number of officers of the Indian Medical Service, as well as for normal outlay in other directions.

109. The following table shows the progress made by the Provincial Governments in utilising the various non-recurring grants made from Imperial revenues in the years 1911-12 to 1913-14 in aid of sanitation. To simplify the position, it has been assumed that the recurring grant is fully utilised before any expenditure is debited against the non-recurring grant; and the *minus* figure in 1914-15 and 1915-16 against two provinces indicates a lapse in the recurring grant also.

[In lakhs of Rs.]

Province.	Grants to end of 1915-16.	Expenditure.					Balance.
		To end of 1913-14.	In 1914-15 (Revised) recorded under		In 1915-16 (Budget) recorded under		
			Medical.	Other heads.	Medical.	Other heads.	
Central Provinces .	16·50	4·14	2·86	·14	3·00	...	6·36
Burma . . .	21·50	9·32	...	5·04	...	...	7·14
Assam . . .	6·96	4·00	·17	2·15	...	·26	·38
Bengal . . .	40·55	12·23	·85	·48	..	...	26·99
Bihar and Orissa .	17·82	8·97	...	4·93	—·11	...	4·03
United Provinces .	49·00	24·45	4·75	·95	1·50	...	17·35
Punjab . . .	28·97	14·41	5·77	·23	2·50	...	6·06
Madras . . .	39·25	10·68	3·00	12·25	...	9·00	4·32
Bombay . . .	37·95	18·68	—·01	...	—1·00	...	20·28
Total .	258·50	106·88	17·39	26·17	5·89	9·26	92·91

Revenue.

(*a*) *Imperial.*

110. The figures show little variation.

(*b*) *Provincial.*

Revised, 1914-15. 111. The increase of R1·27 lakhs in the revenue in 1914-15 over the Budget estimate is mainly due to the refund of contributions made to certain municipalities in the United Provinces in 1913-14, and to an improvement in the hospital receipts in Bombay and in some of the other provinces. The *Budget, 1915-16.* Budget estimate for 1915-16 practically repeats the Revised estimate for the current year.

25.—POLITICAL.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	61,56,080	59,54,979	66,13,582	65,69,000	66,07,000	65,34,000
2. Delhi	...	44,388	...	...	1,000	1,000
3. Baluchistan	23,47,655	23,34,142	24,15,124	24,17,000	24,19,000	25,19,000
4. North-West Frontier	30,61,756	31,47,089	31,59,306	32,66,000	32,24,000	34,57,000
5. Punjab	6,28,668	6,52,497	6,92,886	7,49,000	6,50,000	6,36,000
6. Other Provinces	5,59,940	5,54,949	6,56,541	6,07,000	6,94,000	6,90,000
TOTAL	1,27,54,099	1,26,88,044	1,35,37,439	1,36,08,000	1,35,95,000	1,38,37,000
Provincial.						
1. Central Provinces	32,431	40,212	23,716	36,000	33,000	28,000
2. Burma	4,51,115	9,39,395	13,58,283	19,23,000	20,39,000	20,37,000
3. Assam	...	6,91,696	16,15,626	6,37,000	5,42,000	6,67,000
4. Bengal (new)	...	38,976	32,975	29,000	28,000	30,000
5. Bihar and Orissa	...	52,132	64,917	53,000	55,000	58,000
6. United Provinces	6,273	4,139	2,797	10,000	4,000	8,000
7. Madras	1,02,709	95,175	88,834	92,000	87,000	88,000
8. Bombay	4,32,446	4,21,351	4,36,079	5,48,000	5,68,000	5,08,000
Eastern Bengal and Assam	5,38,984	...	...	...	...	...
Bengal (old)	57,779	...	...	...	...	...
TOTAL	16,21,737	22,83,076	36,23,227	33,28,000	33,56,000	34,24,000
TOTAL INDIA . R	1,43,75,836	1,49,71,120	1,71,60,666	1,69,36,000	1,69,51,000	1,72,61,000
Equivalent in Sterling £	958,389	998,075	1,144,044	1,129,100	1,130,100	1,150,700
England £	9,769	7,848	15,146	15,100	24,000	5,600
TOTAL . £	968,158	1,005,923	1,159,190	1,144,200	1,154,100	1,156,300

112. The Imperial outlay shown against "Other Provinces" consists of the charges of the Political Residency at Aden and certain other expenditure—mainly in connection with political refugees and State prisoners—in several provinces.

INDIA.

(*a*) *Imperial.*

113. The total expenditure in 1914-15 is not expected to differ materially from the Budget provision. There will be a saving in the grant for the Turco-Persian Frontier Commission owing to its early termination, and in the charges of political refugees due to the death of Sardar Ayub Khan; but it will nearly be counterbalanced by an increase in the outlay on the buoying and lighting of the Persian Gulf, and by extra expenditure on telegram charges and in other directions at Aden and elsewhere necessitated by the war. The Budget estimate for 1915-16 is taken at R2·42 lakhs higher than the Revised estimate for the current year, the excess being mainly due to full provision for the revision of the Northern Waziristan Militia and certain other schemes which have been sanctioned during the current year.

Revised, 1914-15.

Budget, 1915-16.

(*b*) *Provincial.*

114. The total Revised estimate for 1914-15 does not differ materially from the Budget grant, an increase of R1·16 lakhs in Burma, mainly in the special expenditure in connection with the administration and proper control of the North-East Frontier, being nearly covered by a decrease of R·95 lakh in the similar expenditure in Assam. The total Budget estimate for 1915-16 exceeds the Revised estimate for the current year by R·68 lakh. Provision

Revised, 1914-15.

Budget, 1915-16

has been made for an increase of R1·25 lakhs in the special expenditure in Assam on the North-East Frontier with reference to the cost of establishments already sanctioned. But there will be a reduction in Bombay owing to the absence of certain payments of arrears of salary made in the current year.

ENGLAND.

Revised 1914-15. 115. The Revised estimate for 1914-15 exceeds the Budget by £8,900 mainly in consequence of higher outlay on stores required for lighting and *Budget, 1915-16.* buoying the Persian Gulf. No expenditure on this account is anticipated in 1915-16, and this explains the decrease of £18,400 in the Budget estimate as compared with the Revised estimate for the current year.

XXI A. AND 26 A.—AGRICULTURE.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	8,83,255	6,80,936	7,68,693	8,25,000	7,80,000	8,31,000
2. Delhi	...	2,573	7,29	13,000	13,000	12,000
3. Baluchistan	41,009	40,770	22,887	32,000	25,000	32,000
4. North-West Frontier	55,748	58,315	1,05,234	1,21,000	8 ,000	1,19,000
5. Other Provinces	2,50,044	4,16,080	3,36,908	3,79,000	29,000	30,000
TOTAL	12,30,056	11,98,684	12,41,020	13,70,000	9,38,000	10,24,000
Provincial.						
1. Central Provinces	5,00,761	6,32,211	7,25,222	7,12,000	7,56,000	8,54,000
2. Burma	3,77,047	4,22,707	4,69,492	5,02,000	5,39,000	5,68,000
3. Assam	...	1,24,429	2,04,544	3,17,000	2,91,000	2,66,000
4. Bengal (new)	...	7,72,137	9,06,776	11,86,000	9,76,000	11,17,000
5. Bihar and Orissa	...	3,39,643	4,46,941	4,89,000	5,03,000	5,37,000
6. United Provinces	10,49,600	11,10,006	11,90,486	11,46,000	11,55,000	12,22,000
7. Punjab	7,16,430	7,44,876	8,55,270	10,53,000	11,49,000	11,72,000
8. Madras	6,06,087	7,45,830	8,95,246	9,38,000	9,53,000	10,73,000
9. Bombay	10,06,783	9,22,044	10,70,232	13,11,000	12,60,000	12,71,000
Eastern Bengal and Assam	3,70,492	...	...	...	...	...
Bengal (old)	7,57,065	...	...	...	...	...
TOTAL	53,84,265	58,13,913	67,64,209	76,84,000	75,82,000	80,80,000
TOTAL INDIA . ₹	66,14,321	70,12,597	80,05,229	90,54,000	85,20,000	91,04,000
Equivalent in Sterling £	440,955	467,507	533,682	603,600	568,000	606,900
England . . . £	945	...	1,257	2,500	2,500	2,000
TOTAL . £	441,900	467,507	534,939	606,100	570,500	608,900

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	1,62,633	1,25,406	1,28,052	1,20,000	1,08,000	1,31,000
2. Delhi	...	2,466	1,086	...	...	...
3. Baluchistan	189	626	1,612	1,000	4,000	3,000
4. North-West Frontier	784	1,213	2,107	7,000	3,000	7,000
5. Punjab	...	66,153	...	...	...	...
TOTAL	1,63,606	1,95,864	1,32,917	1,28,000	1,15,000	1,41,000
Provincial.						
1. Central Provinces	67,092	85,831	1,10,198	1,06,000	1,32,000	1,13,000
2. Burma	6,948	8,766	13,851	16,000	15,000	20,000
3. Assam	...	6,902	8,232	11,000	9,000	11,000
4. Bengal (new)	...	79,644	78,756	85,000	78,000	82,000
5. Bihar and Orissa	...	20,747	21,407	24,000	23,000	48,000
6. United Provinces	1,51,055	1,42,887	1,83,256	1,69,000	1,86,000	1,98,000
7. Punjab	1,03,525	1,25,491	2,16,560	2,78,000	1,83,000	1,88,000
8. Madras	92,144	89,561	1,00,652	1,06,000	1,18,000	1,20,000
9. Bombay	1,01,468	1,02,339	1,22,622	1,14,000	1,23,000	1,45,000
Eastern Bengal and Assam	22,303	...	...	...	...	...
Bengal (old)	68,337		...	...	...	...
TOTAL	6,12,872	6,61,668	8,55,534	9,09,000	8,67,000	9,28,000
TOTAL INDIA . ₹	7,76,478	8,57,532	9,88,451	10,37,000	9,82,000	10,69,000
Equivalent in sterling £	51,765	57,169	65,897	69,100	65,500	71,300
England . . £	...	...	...	...	...	...
TOTAL . £	51,765	57,169	65,897	69,100	65,500	71,300

EXPENDITURE.

(*a*) *Imperial.*

Revised, 1914-15.

116. The total Revised Estimate for 1914-15 is less than the Budget by R4·32 lakhs. The decrease of R3·50 lakhs, shown against "Other Provinces" in the table on page 71, is explained by the fact that the salaries of officers of the Indian Civil Veterinary Department, with the exception of the Camel Specialist in the Punjab, are now recorded as Provincial expenditure, whereas the corresponding provision in the Budget was made in the Imperial section of the estimates. Apart from this special variation, a saving of R ·82 lakh is now expected in the Budget provision owing to lapses in ordinary grants and the non-utilisation of a lump allotment for the creation of a separate Veterinary Department in the North-West Frontier Province. The Budget estimate provides generally for sanctioned establishments and repeats the lump allotment in the North-West Frontier Province.

Budget, 1915-16.

(*b*) *Provincial.*

Revised, 1914-15.

117. The total expenditure in 1914-15 is expected to fall short of the Budget estimate by R1·02 lakhs. Lapses in ordinary grants and in the lump allotments for fresh expenditure will occur in every province; but, except in Bengal, Bombay and Assam, they are obscured by the expenditure on the salaries of officers of the Civil Veterinary Department, which are being recorded in the Provincial section with effect from the current year. The Budget estimate for 1915-16 provides generally for sanctioned establishments. Special allotments have also been made in Bengal, in Madras and in some of the other provinces, for the further development of the agricultural and veterinary departments.

Budget, 1915-16.

REVENUE.

118. The figures do not show any important variation.

XXIB AND 26B.—SCIENTIFIC AND MISCELLANEOUS DEPARTMENTS

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	44,35,731	44,68,543	45,24,624	48,83,000	44,85,000	45,71,000
2. Delhi	...	14,819	9,200	2,000	4,000	2,000
3. Baluchistan	25,141	17,038	11,998	7,000	9,000	7,000
4. North-West Frontier	23,690	13,584	9,749	10,000	9,000	10,000
5. Other Provinces	12,01,708	1,55,750	34,545	46,000	35,000	42,000
TOTAL	56,86,270	46,69,734	45,90,116	49,48,000	45,42,000	46,32,000
Provincial.						
1. Central Provinces	62,604	80,190	72,130	93,000	75,000	95,000
2. Burma	63,237	67,027	69,103	74,000	84,000	78,000
3. Assam	...	46,872	93,218	51,000	93,000	85,000
4. Bengal (new)	...	8,91,816	5,19,023	5,44,000	5,28,000	5,05,000
5. Bihar and Orissa	...	16,492	30,303	19,000	30,000	21,000
6. United Provinces	1,01,720	1,18,326	96,295	93,000	91,000	1,01,000
7. Punjab	54,796	76,438	1,10,418	1,55,000	94,000	1,72,000
8. Madras	7,30,101	11,20,234	8,82,452	8,07,000	9,78,000	11,34,000
9. Bombay	77,426	1,03,546	1,33,320	1,18,000	1,35,000	1,46,000
Eastern Bengal and Assam	74,632	...	...	...	...	...
Bengal (old)	5,96,101	...	...	...	...	...
TOTAL	17,60,617	25,20,941	20,06,262	19,54,000	21,08,000	23,37,000
TOTAL INDIA ₹	74,46,887	71,90,675	65,96,378	69,02,000	66,50,000	69,69,000
Equivalent in Sterling £	496,459	479,378	439,759	460,200	443,300	4,64,600
England (mainly stores) £	22,846	25,440	33,529	38,400	40,100	37,800
TOTAL £	519,305	504,818	473,288	498,600	483,400	502,400

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	1,11,447	1,04,131	1,37,049	1,39,000	1,73,000	1,44,000
2. Delhi	...	...	4,669	3,000	5,000	5,000
3. Baluchistan	660	762	736	1,000	...	...
4. North-West Frontier	88	111	212	...	1,000	1,000
TOTAL	1,12,195	1,05,004	1,42,666	1,43,000	1,79,000	1,50,000
Provincial.						
1. Central Provinces	26,937	30,164	32,194	30,000	27,000	28,000
2. Burma	857	720	310	1,000	2,000	1,000
3. Assam	...	13,868	10,186	11,000	10,000	12,000
4. Bengal (new)	...	1,38,287	1,98,925	1,87,000	4,30,000	3,53,000
5. Bihar and Orissa	...	5,060	3,740	6,000	5,000	6,000
6. United Provinces	18,467	13,945	25,339	21,000	22,000	20,000
7. Punjab	2,570	5,261	1,555	1,000	8,000	23,000
8. Madras	5,49,620	4,79,461	5,71,567	5,52,000	8,22,000	7,93,000
9. Bombay	16,734	16,350	17,726	18,000	40,000	53,000
Eastern Bengal and Assam	22,748	...	...	...	...	...
Bengal (old)	1,71,203	...	...	...	...	...
TOTAL	8,09,136	7,03,116	8,61,542	8,27,000	13,66,000	12,89,000
TOTAL INDIA ₹	9,21,331	8,08,120	10,04,208	9,70,000	15,45,000	14,39,000
Equivalent in Sterling £	61,422	53,874	66,947	64,700	103,000	95,900
England £	998	761	962	900	900	900
TOTAL £	62,420	54,635	67,909	65,600	103,900	96,800

Details of expenditure shown against "Imperial" in the preceding table.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
(a) Scientific—						
i. Survey of India	25,81,259	26,27,411	25,94,086	28,55,000	25,12,000	25,80,000
ii. Geological Survey	3,01,997	3,00,501	3,00,073	3,20,000	2,69,000	3,22,000
iii. Meteorological Survey	3,8 ,054	3,97,114	4,27,266	4,93,000	4,75,000	4,77,000
iv. Archæological Survey	2,22,020	2,59,834	3,08,433	3,11,000	3,40,000	3,18,000
v. Central Museum	1,75,269	1,59,271	1,44,177	1,47,000	1,41,000	1,33,000
vi. Central Research and X-Ray Institutes	1,65,713	1,72,545	1,93,865	1,85,000	1,85,000	1,69,000
vii. Other items	63,489	76,518	75,251	59,000	68,000	63,000
(b) Labour and Emigration—						
Emigration and other charges	7,496	9,548	4,249	9,000	10,000	9,000
(c) Statistics—						
i. Bureau of Commercial Intelligence, and other charges	1,73,872	1,59,213	1,58,519	1,77,000	1,71,000	1,64,000
ii. Census	13,06,891	2,04,346	40,802	2,000	2,000	2,000
(d) Miscellaneous—						
i. Imperial Library	41,059	40,929	39,692	46,000	45,000	46,000
ii. Examinations	61,846	46,016	47,530	55,000	52,000	54,000
iii. Chief Inspector of Explosives	74,885	72,070	82,939	86,000	80,000	85,000
iv. Inspector of Mines	1,11,004	90,207	98,312	1,28,000	1,16,000	1,31,000
v. Controller of Patents	6,218	37,972	39,768	42,000	32,000	42,000
vi. Actuary to Government of India	...	4,008	21,115	22,000	23,000	23,000
vii. Other items	3,195	12,231	7,979	11,000	20,000	14,000
TOTAL R	56,86,270	46,69,734	45,90,116	49,48,000	45,42,000	46,32,000

EXPENDITURE.

119. The figures shown against "Other Provinces" in the table at page 73 represent expenditure incurred in the several provinces in connection with ethnographical surveys and census operations as well as the cost of the Archæological Department in Burma.

(a) *Imperial—India and England.*

Revised, 1914-15.

120. The total Revised estimate for 1914-15 is less than the Budget by R3·81 lakhs. A saving of R3·43 lakhs is expected in the charges of the Imperial Survey Department owing to the temporary transfer to military duty of the military officers employed in the Department and the consequent curtailment of its operations. Lapses will also occur in the grants of the Geological Survey and certain other Departments.

Budget, 1915-16.

121. The total Budget grant for 1915-16 is higher than the Revised for the current year by R·56 lakh. Provision has generally been made for sanctioned establishments and normal operations; and in the case of the Imperial Survey Department it has been assumed that the military officers who have been transferred temporarily to military duty will not return to the Department during the ensuing year.

(*b*) *Provincial.*

122. The total expenditure in 1914-15 is expected to exceed the Budget provision by R1·54 lakhs, mainly in consequence of larger outlay on the purchase of cinchona bark in Madras. The Budget estimate for 1915-16 exceeds the Revised for the current year by R2·29 lakhs, the increase being mainly due to enhanced provision for industrial experiments, and for the encouragement of industries, in Madras and the Punjab. *Revised, 1914-15.* *Budget, 1915-16.*

REVENUE.

(*a*) *Imperial.*

123. The figures do not show any important variation.

(*b*) *Provincial.*

124 The improvement in revenue in 1914-15 over the Budget estimate occurs chiefly in the receipts from the cinchona plantations in Bengal and Madras. The Budget estimate for 1915-16 anticipates some decline in these receipts in the ensuing year. *Revised, 1914-15.* *Budget, 1915-16.*

27.—TERRITORIAL AND POLITICAL PENSIONS.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
Imperial.						
1. India General .	1,22,768	1,19,737	1,12,559	1,07,000	1,15,000	1,25,000
2. Delhi . . .	...	13,137	36,685	47,000	60,000	51,000
3. Baluchistan . .	46,302	50,659	49,278	57,000	45,000	45,000
4. Central Provinces .	1,89,250	1,82,692	1,71,252	1,82,000	1,78,000	1,78,000
5. Burma . .	1,50,959	1,59,660	1,48,662	1,44,000	1,51,000	1,41,000
6. Assam . . .	...	4,686	4,511	5,000	5,000	5,000
7. Bengal (new) .	...	7,62,691	7,93,382	7,53,000	7,45,000	7,35,000
8. Bihar and Orissa .	...	53,489	40,762	55,000	64,000	50,000
9 United Provinces .	7,99,263	7,59,308	7,52,347	7,94,000	7,50,000	7,87,000
10. Punjab . . .	1,35,266	1,21,803	81,638	91,000	76,000	70,000
11. North-West Frontier	63,444	62,377	66,975	62,000	61,000	61,000
12. Madras . . .	3,24,861	3,28,195	3,53,700	3,55,000	3,15,000	3,39,000
13. Bombay . .	5,48,984	5,06,950	5,31,218	5,21,000	5,21,000	5,22,000
Eastern Bengal and Assam . .	9,420	...	...	...	...	...
Bengal (old) . .	8,48,899	...	...	...	...	...
TOTAL INDIA . R	32,39,416	31,25,384	31,42,969	31,73,000	30,86,000	31,09,000
Equivalent in Sterling £	215,961	208,359	209,531	211,600	205,800	207,200
England . £	11,100	11,050	11,189	10,600	10,600	10,600
TOTAL . £	227,061	219,409	220,720	222,200	216,400	2,17,800

125. The total figures show little variation.

28.—CIVIL FURLOUGH AND ABSENTEE ALLOWANCES.

		Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.							
India	R	19,597	18,406	19,208	20,000	13,000	13,000
Equivalent in Sterling	£	1,307	1,227	1,280	1,300	900	900
England	£	424,435	410,957	450,326	432,000	360,000	83,000
TOTAL	£	425,742	412,184	451,606	433,300	360,900	83,900

126. Almost the whole of the expenditure recorded under this head is incurred in England. Leave allowances of officers paid in India are charged to the same head as their salaries, and the small sums shown against India represent leave allowances of officers lent to Foreign States, etc.

127. Owing to the recall of officers from leave in consequence of the war and the restriction imposed on the grant of leave out of India, the expenditure in the current year will fall short of the Budget provision by £72,400. The Budget estimate for 1915-16 anticipates a further reduction of £277,000 in these charges on the assumption that the orders restricting the grant of leave will remain in operation throughout the ensuing year. *Revised, 1914-15.* *Budget, 1915-16.*

XXII AND 29.—SUPERANNUATION.

EXPENDITURE.

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15. Budget.	1914-15. Revised.	Budget, 1915-16.
Imperial.						
1. India General	9,95,017	10,33,139	12,06,141	12,69,000	12,60,000	12,60,000
2. Delhi	...	85,057	1,70,773	1,61,000	1,76,000	1,72,000
3. Baluchistan	13,975	20,996	29,244	34,000	34,000	28,000
4. North-West Frontier	1,35,228	1,45,328	1,70,624	1,79,000	1,64,000	1,72,000
5. Other Provinces	1,06,754	1,01,128	1,08,782	1,06,000	1,06,000	1,11,000
TOTAL	12,50,974	13,85,648	16,85,564	17,49,000	17,40,000	17,43,000
Provincial.						
1. Central Provinces	7,24,164	7,57,493	8,66,965	8,70,000	9,25,000	9,80,000
2. Burma	8,03,470	8,55,679	9,27,028	10,31,000	10,73,000	11,95,000
3. Assam	...	2,43,462	2,83,152	2,81,000	3,08,000	3,13,000
4. Bengal (new)	...	29,25,688	31,00,288	32,31,000	32,84,000	34,29,000
5. Bihar and Orissa	...	8,31,582	9,07,634	9,54,000	9,31,000	9,76,000
6. United Provinces	30,37,146	32,10,920	34,60,937	34,80,000	36,68,000	38,30,000
7. Punjab	18,71,378	19,17,806	21,72,893	22,24,000	23,17,000	23,91,000
8. Madras	25,98,314	27,66,814	31,24,098	32,64,000	34,71,000	35,13,000
9. Bombay	31,38,669	33,48,164	36,44,035	37,75,000	39,42,000	38,97,000
Eastern Bengal and Assam	8,63,089	...	...	...	...	...
Bengal (old)	29,16,661	...	...	...	...	...
TOTAL	1,59,52,891	1,68,57,608	1,84,87,030	1,91,10,000	1,99,19,000	2,05,24,000
TOTAL INDIA ₹	1,72,03,865	1,82,43,256	2,01,72,594	2,08,59,000	2,16,59,000	2,22,67,000
Equivalent in Sterling £	1,146,924	1,216,217	1,344,840	1,390,600	1,443,906	1,484,500
England £	2,040,496	2,068,102	2,054,647	2,059,000	2,058,000	2,059,000
TOTAL £	3,187,420	3,284,319	3,399,487	3,449,600	3,501,900	3,543,500

RECEIPTS.

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15. Budget.	1914-15. Revised.	Budget, 1915-16.
Imperial.						
1. India General	3,18,587	3,18,608	3,54,865	3,37,000	4,08,000	3,97,000
2. Delhi	...	3,710	2,760	...	3,000	3,000
3. Baluchistan	3,448	3,428	3,568	4,000	5,000	5,000
4. North-West Frontier	19,420	15,779	19,653	18,000	23,000	23,000
5. Other Provinces	8,95,188	9,35,399	9,55,641	9,50,000	9,82,000	9,73,000
TOTAL	12,36,643	12,76,924	13,36,487	13,09,000	14,21,000	14,01,000
Provincial.						
1. Central Provinces	91,430	98,070	1,24,284	1,61,000	1,65,000	1,78,000
2. Burma	22,594	17,935	16,448	17,000	18,000	17,000
3. Assam	...	3,414	4,391	4,000	5,000	5,000
4. Bengal (new)	...	48,210	38,836	39,000	42,000	40,000
5. Bihar and Orissa	...	21,116	24,271	24,000	28,000	28,000
6. United Provinces	86,002	66,808	70,992	66,000	81,000	75,000
7. Punjab	78,973	90,204	75,601	84,000	70,000	70,000
8. Madras	87,537	93,797	94,511	93,000	1,02,000	1,02,000
9. Bombay	3,41,588	3,64,236	3,88,255	3,90,000	4,40,000	4,20,000
Eastern Bengal and Assam	10,140	...	...	...	...	...
Bengal (old)	66,359	...	...	...	...	...
TOTAL	7,84,623	8,03,790	8,37,639	8,78,000	9,51,000	9,35,000
TOTAL INDIA ₹	20,21,266	20,80,714	21,74,126	21,87,000	23,72,000	23,36,000
Equivalent in Sterling £	134,751	138,714	144,941	145,800	158,100	155,800
England £	66,719	61,672	61,869	58,800	49,200	34,000
TOTAL £	201,470	200,386	206,810	204,600	207,300	189,800

128. The figures of Imperial revenue shown against "Other Provinces" represent the receipts of certain abolished funds, the assets and liabilities of which were taken over by the Government, as well as the subscriptions paid by members of the Indian Civil Service for securing certain pensionary benefits for their families. The charges on account of such pensions as well as of the pensions of the abolished funds are recorded in the accounts as Imperial expenditure.

(*a*) *Imperial—India and England.*

129. The figures show little variation.

(*b*) *Provincial.*

130. The Revised estimate for 1914-15 exceeds the Budget by R8·09 lakhs, the increase being due partly to a higher growth of pension charges than was anticipated and partly to a larger demand for the commutation of pensions. The Budget estimate for 1915-16 provides for the normal growth of the retired list. *Revised, 1914-15.* *Budget, 1915-16.*

REVENUE.

131. The variations in the figures are unimportant.

XXIII AND 30.—STATIONERY AND PRINTING.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. Central Stationery Office	2,56,521	2,67,224	2,77,711	2,49,000	2,41,000	2,42,000
2. Stationery purchased for Central stores.	40,06,020	39,10,253	44,53,180	40,33,000	42,63,000	42,30,000
3. Government Presses (mainly Calcutta, Simla and Delhi)	15,71,665	17,15,030	17,38,997	17,35,000	17,77,000	18,42,000
4. Other charges	13,455	11,070	9,331	10,000	10,000	11,000
5. *Deduct*—Value of supplies to Local Governments and Administrations and to Postal and Telegraph Department, etc.	—48,40,807	—47,79,771	—49,68,584	—49,28,000	—46,66,000	—48,36,000
6. Delhi	...	4,788	10,138	15,000	12,000	14,000
7. Baluchistan	2,800	1,532	2,100	3,000	3,000	3,000
8. North-West Frontier	82,738	91,183	1,09,250	1,16,000	1,12,000	1,22,000
TOTAL	10,92,392	12,21,309	16,32,123	12,33,000	17,52,000	16,28,000
Provincial.						
1. Central Provinces	3,37,128	3,26,223	4,05,077	4,04,000	4,01,000	4,25,000
2. Burma	7,83,162	7,94,109	6,91,512	7,59,000	7,57,000	7,46,000
3. Assam	...	1,70,639	1,65,196	1,81,000	1,69,000	1,81,000
4. Bengal (new)	...	13,34,429	14,85,406	14,44,000	13,56,000	13,87,000
5. Bihar and Orissa	...	3,21,904	3,16,285	7,51,000	6,53,000	6,89,000
6. United Provinces	8,24,460	8,73,853	9,18,067	9,01,000	9,24,000	9,31,000
7. Punjab	7,17,330	6,72,460	6,67,651	7,06,000	7,41,000	7,70,000
8. Madras	15,54,759	17,43,062	15,87,854	15,09,000	15,64,000	15,92,000
9. Bombay	13,61,930	13,58,931	14,97,543	15,01,000	14,00,000	14,10,000
Eastern Bengal and Assam	7,10,167	...	...	...	...	...
Bengal (old)	10,90,495	...	...	...	...	...
TOTAL	73,79,431	75,95,610	77,34,591	81,56,000	79,65,000	81,31,000
TOTAL INDIA ₹	84,71,823	88,16,919	93,66,714	93,89,000	97,17,000	97,59,000
Equivalent in Sterling £	564,788	587,795	624,448	625,900	647,800	650,600
England { Stores £	98,374	85,314	99,812	86,200	110,000	95,000
England { Other charges £	6,529	6,433	5,496	7,600	8,100	8,100
TOTAL £	669,691	679,542	729,756	719,700	765,900	753,700

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	4,46,335	3,98,311	4,54,839	4,18,000	4,33,000	4,23,000
2. Delhi	...	990	5,131	4,000	6,000	6,000
3. Baluchistan	192	561	205	...	...	...
4. North-West Frontier	18,008	17,993	20,387	20,000	23,000	24,000
5. Other Provinces	1,97,136	1,75,750	1,42,784	2,03,000	2,16,000	2,03,000
TOTAL	6,61,671	5,93,605	6,23,346	6,45,000	6,78,000	6,56,000
Provincial.						
1. Central Provinces	37,537	38,545	64,813	47,000	65,000	73,000
2. Burma	62,280	54,243	52,425	54,000	50,000	55,000
3. Assam	...	10,490	7,633	9,000	7,000	8,000
4. Bengal (new)	...	1,20,103	1,37,862	1,20,000	1,56,000	1,32,000
5. Bihar and Orissa	...	29,497	29,110	29,000	30,000	30,000
6. United Provinces	1,48,212	1,52,927	1,67,652	1,53,000	1,56,000	1,66,000
7. Punjab	1,43,944	1,43,521	72,208	72,000	87,000	92,000
8. Madras	1,03,898	1,10,699	1,33,155	99,000	1,34,000	1,23,000
9. Bombay	1,24,474	1,27,537	1,13,039	1,22,000	1,11,000	1,06,000
Eastern Bengal and Assam	47,283	...	...	...	...	...
Bengal (old)	1,24,063	...	...	...	...	...
TOTAL	7,91,691	7,87,562	7,77,897	7,05,000	7,96,000	7,85,000
TOTAL INDIA ₹	14,53,362	13,81,167	14,01,243	13,50,000	14,74,000	14,41,000
Equivalent in Sterling £	96,891	92,078	93,416	90,000	98,300	96,000

EXPENDITURE.

(*a*) *Imperial, India and England.*

Revised, 1914-15.

132. The total Imperial expenditure in 1914-15, exclusive of the charges of the commercial departments, is likely to exceed the Budget provision by R8·84 lakhs, in consequence of a higher outlay in England and in India on the replenishment of stock, smaller supplies to the Postal and Telegraph Department, and extra expenditure on stationery and printing necessitated by the war. The Budget estimate for 1915-16 anticipates a reduction in the outlay on the purchase of stores in England and an increase in the supplies to Provincial Governments, etc.

Budget, 1915-16.

(*b*) *Provincial.*

Revised, 1914-15.

133. The total Revised estimate for 1914-15 is less than the Budget by R1·91 lakhs, a rise in the expenditure in Madras, the Punjab and the United Provinces being more than counterbalanced by savings in the other provinces. The Budget estimate for 1915-16 provides for a small increase in expenditure in almost all the provinces.

Budget, 1915-16.

REVENUE.

134. The figures do not show any important variation. The Imperial revenue shown against "Other provinces" represents recovery of the value of stationery supplied to railways and to municipalities and other local bodies.

XXIV AND 31.—EXCHANGE.

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15.		Budget, 1915-16.
				Budget.	Revised.	
Revenue . . R	15,85,457	15,13,188	17,96,110	10,00,000	10,75,000	...
Equivalent in Sterling £	105,697	100,879	119,741	66,700	71,700	...
Expenditure . . R	...	...	...	...	...	...
Equivalent in Sterling £	...	...	...	...	...	...

135. This head records the comparatively small sums which have to be brought to account owing to the fact that the remittances from India to England by means of council bills and transfers, and the remittances in the opposite direction by sterling bills and transfers, are not effected exactly at the rate of 16 pence to the rupee. The amounts brought to account in this connection in the current year will not materially exceed the Budget estimate. For 1915-16, it is considered prudent not to provide for any credit under this head, in view of the uncertainty regarding the course of exchange in the next twelve months.

Revised, 1914-15.

Budget, 1915-16.

XXV AND 32.—MISCELLANEOUS.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. Remittance charges mainly in connection with movements of Government funds	4,48,723	6,65,248	5,50,269	5,24,000	5,05,000	5,82,000
2. Special Commissions of enquiry	8,008	1,41,701	5,61,686	42,000	2,50,000	65,000
3. Charges arising out of the War adjusted in Civil Department	...	...	...	...	5,48,000	4,93,000
4. Other charges:						
(*a*) in Delhi	...	9,840	38,386	90,000	50,000	98,000
(*b*) in the N.-W. Frontier Province	28,849	25,586	36,272	44,000	34,000	42,000
(*c*) elsewhere	4,76,533	3,16,809	33,13,006	10,59,000	13,46,000	13,04,000
Total	9,62,113	11,59,184	44,99,619	17,59,000	26,93,000	25,84,000
Provincial.						
1. Central Provinces	1,22,415	1,62,005	1,25,805	2,60,000	1,44,000	1,64,000
2. Burma	5,52,943	4,52,004	4,89,160	5,44,000	5,15,000	5,23,000
3. Assam	...	3,65,964	3,82,123	4,05,000	4,20,000	4,10,000
4. Bengal (new)	...	4,25,610	5,87,418	10,81,000	4,48,000	10,16,000
5. Bihar and Orissa	...	1,04,857	1,35,329	2,43,000	1,34,000	2,16,000
6. United Provinces	2,51,451	1,86,440	4,41,144	13,96,000	2,52,000	3,96,000
7. Punjab	3,07,508	5,45,225	3,76,195	12,21,000	3,82,000	8,07,000
8. Madras	3,73,921	5,15,369	5,22,297	5,35,000	4,90,000	4,94,000
9. Bombay	17,79,762	6,36,161	7,79,040	7,18,000	5,60,000	5,57,000
Eastern Bengal and Assam	5,63,026	...	...	...	...	...
Bengal (old)	3,96,802	...	...	...	...	...
Total	43,47,828	33,93,635	38,38,511	64,03,000	33,45,000	45,83,000
TOTAL INDIA . ₹	53,09,941	45,52,819	83,38,130	81,62,000	60,38,000	71,67,000
Equivalent in Sterling £	353,996	303,521	555,875	544,200	402,500	477,800
England . . £	34,913	27,257	46,360	80,700	152,900	43,700
TOTAL £	388,909	330,778	602,235	624,900	555,400	521,500

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	13,89,759	6,66,587	7,00,680	21,42,000	20,84,000	4,90,000
2. Delhi	...	10,550	36,383	43,000	51,000	50,000
3. Baluchistan	6,769	37,404	4,980	6,000	5,000	5,000
4. North-West Frontier	1,43,547	1,41,474	1,17,698	1,32,000	1,21,000	1,20,000
5. Other Provinces	9,93,941	6,77,177	8,47,150	5,20,000	6,41,000	8,53,000
TOTAL	25,34,016	15,33,192	17,06,891	28,43,000	29,02,000	15,28,000
Provincial.						
1. Central Provinces	1,17,049	2,09,422	1,86,431	1,56,000	1,67,000	1,84,000
2. Burma	76,016	1,21,139	73,837	77,000	82,000	80,000
3. Assam	...	67,549	46,659	44,000	48,000	49,000
4. Bengal (new)	...	7,72,339	7,68,760	5,92,000	6,89,000	6,90,000
5. Bihar and Orissa	...	3,05,276	2,64,766	3,25,000	3,91,000	3,06,000
6. United Provinces	4,00,649	3,31,376	5,45,347	3,50,000	4,25,000	4,52,000
7. Punjab	9,69,675	10,05,405	6,35,691	6,30,000	4,24,000	5,53,000
8. Madras	3,29,036	3,47,294	3,67,487	2,68,000	3,19,000	3,32,000
9. Bombay	1,13,522	2,05,612	82,037	76,000	87,000	77,000
Eastern Bengal and Assam	3,76,197	...	...	...	...	...
Bengal (old)	6,68,402	...	...	...	...	...
TOTAL	30,50,546	33,63,412	29,71,615	25,18,000	26,27,000	27,23,000
TOTAL INDIA . ₹	55,84,562	48,96,604	46,78,506	53,61,000	55,29,000	42,51,000
Equivalent in Sterling £	372,304	326,440	311,901	357,400	368,600	283,406
England . . £	36,714	45,424	40,711	13,000	13,700	14,000
TOTAL . £	409,018	371,864	352,612	370,400	382,300	297,400

136. Charges in connection with the remittance of Government treasure are Imperial in all provinces; so is the discount paid, or the premium levied, in connection with the sale of bills at treasuries and currency offices to facilitate trade remittances of funds. Extraordinary items of revenue realised, or of expenditure incurred, under this head in the various provinces are also treated as Imperial, if they exceed R10,000 in amount.

EXPENDITURE.

(*a*) *India—Imperial.*

Revised, 1914-15.

137. The Revised estimate for 1914-15 exceeds the Budget by R9·34 lakhs. A payment of R9·23 lakhs, for which no provision existed in the Budget, is to be made to the Mysore Durbar on account of the balance of arrears due to it in respect of the Bangalore Assigned Tract. Expenditure to the extent of R5·08 lakhs will be incurred in connection with the capture of enemy vessels, the internment of enemy subjects, and other miscellaneous items connected indirectly with the war. An increase of R2·08 lakhs is expected in the charges of special commissions of enquiry, mainly in connection with the appointment of the Budge Budge Riots Committee and the Committee on Co-operation in India. A special payment of R1·28 lakhs has also been made to an officer as compensation for losses sustained by him. On the other hand, the bulk of the reserve of R8 lakhs (including R·5 lakh for Delhi) for unforeseen charges, which was provided in the Budget under Miscellaneous, has been appropriated to meet necessary and sanctioned outlay under other heads of account.

Budget, 1915-16.

138. The Budget estimate for 1915-16 provides for normal charges; for miscellaneous expenditure connected with the war likely to be incurred in the ensuing year; and for a reserve of R10·5 lakhs for unforeseen expenditure, of which R·5 lakh is for Delhi.

(*b*) *India—Provincial.*

Revised, 1914-15.

139. The total Revised estimate for 1914-15 is less than the Budget by R30·58 lakhs. The Budget estimate for "32—Miscellaneous" included a provision of R5·75 lakhs for relieving local bodies in some of the provinces of certain contributions hitherto recovered from them. Against this provision, no expenditure will be recorded under Miscellaneous, as the effect of the measure will be a reduction of revenue or an increase in expenditure under other heads of account; and there is a consequent saving of R5·75 lakhs in the Budget provision under Miscellaneous. The balance of the decrease in the Revised estimate for 1914-15 under the latter head, as compared with the Budget estimate, is mainly due to the record under other heads of account of expenditure against the lump provision for grain compensation allowance and against the various other reserves which were included in the Budget estimates of several provinces under Miscellaneous; to smaller remissions of agricultural and other loans in the United Provinces; and to lapses in the lump provision made in the Punjab for the revision of the copying agency establishment, and in the Central Provinces for the improvement of the furniture and equipment of Government offices.

Budget, 1915-16.

140. The Budget estimate for 1915-16 provides generally for normal charges and for the usual reserve for unforeseen expenditure in most provinces. In Bengal and the United Provinces, lump allotments have again been made for grain compensation charges; and in the Punjab provision has been made for the general introduction of the new copying agency rules.

(*c*) *England.*

Revised, 1914-15.

141. The expenditure in 1914-15 is likely to exceed the Budget provision by £72,200, owing mainly to an increase in the marine insurance and other miscellaneous charges connected with the supply of stores to India, and to certain payments to officers recalled from leave out of India. The Budget estimate

for 1915-16 provides for normal charges, and allows for a decrease in the expenditure of the Public Services Commission, and in the miscellaneous charges connected with the supply of stores to India. *Budget, 1915-16.*

REVENUE.

(*a*) *India—Imperial.*

142. The total Revised estimate for 1914-15 does not differ materially from the Budget estimate, a reduction of about R2 lakhs in the revenue derived from premium on bills, consequent on the dislocation of trade, being more than counterbalanced by special receipts in connection with the captured enemy vessels. The Budget estimate for 1915-16 provides generally for normal revenue, and for certain special receipts from the anticipated sale of town sites in the Punjab. The large reduction of R13·74 lakhs in the total Budget estimate, as compared with the Revised estimate of the current year, is due to the fact that the latter included an extraordinary receipt of about R15½ lakhs from the write-off to revenue of the balances of the discharged 4 per cent. loans which had remained unclaimed for twenty years. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *India—Provincial.*

143. The total revenue in 1914-15 is likely to exceed the Budget by R1·09 lakhs. The improvement is mainly due to larger credits on account of unclaimed deposits, mostly in Bengal, the United Provinces and Madras; to increased receipts from fisheries in Madras; and to certain special receipts in Bihar and Orissa. In the Punjab, on the other hand, a large reduction is anticipated in the revenue, owing to heavy refunds of lapsed deposits and smaller receipts in connection with the copying agency establishment. The Budget estimate for 1915-16 provides for normal receipts, and for an increase in the recoveries in connection with the copying agency establishment in the Punjab consequent on the extension of the new copying agency rules. *Revised, 1914-15.* *Budget, 1915-16.*

(*c*) *England.*

144. The figures show little variation.

33 TO 36.—FAMINE RELIEF AND INSURANCE.

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15. Budget.	1914-15. Revised.	Budget, 1915-16.
INDIA.						
Famine Relief { Imperial	17,14,503	28,33,278	23,62,671	29,53,000	27,56,000	1,06,000
Famine Relief { Provincial	—100	...	...	15,25,000	15,92,000	...
Construction of Protective Railways	4,37,689	4,10,978	1,17,532	2,000	—22,000	...
Construction of Protective Irrigation Works	56,83,204	52,87,484	71,28,997	69,63,000	72,37,000	72,52,000
Reduction or Avoidance of Debt	68,09,505	51,48,053	51,37,329	30,22,000	31,52,000	73,94,000
TOTAL INDIA ₹	1,47,04,801	1,46,79,793	1,47,46,529	1,44,65,000	1,47,15,000	1,47,52,000
Equivalent in Sterling £	980,320	978,653	983,102	964,300	981,000	983,500
ENGLAND.						
Construction of Protective Railways	15,096	14,012	741	...	...	...
Construction of Protective Irrigation Works	4,584	7,335	16,157	35,700	19,000	16,500
TOTAL INDIA AND ENGLAND	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Revised, 1914-15.

145. The expenditure in the current year under the head Famine Relief is now estimated at ₹43·48 lakhs, the amount being distributed as shown below :—

	Lakhs of ₹
United Provinces	36·50
Punjab	2·00
Central Provinces	1·15
Bombay	1·10
Ajmer-Merwara, etc.	2·73
	43·48

About ₹13 lakhs of the outlay in the United Provinces, and the bulk of the expenditure in the other provinces, have been incurred in connection with fodder operations and other measures for the protection of cattle in the famine-stricken tracts. ₹15·92 lakhs of the expenditure in the United Provinces will appear in the Provincial section of the estimates under the standing arrangements which regulate the incidence of famine relief expenditure.

146. The amount available for famine insurance in 1914-15 accordingly amounts to ₹106·52 lakhs, of which ₹75 lakhs will be spent on protective works and ₹31·52 lakhs will be appropriated for the reduction or avoidance of debt.

Budget, 1915-16.

147. In the Budget estimate for 1915-16 provision has been made, as usual, for a total grant of ₹150 lakhs under this group head. A moiety of this sum will be allotted for the construction of protective works. Out of the other moiety, a small sum of ₹1·06 lakhs will be required to meet expenditure debitable to the head Famine Relief, in connection with the fodder operations of the current year and the formation of a reserve of famine tools. The remainder, namely ₹73·94 lakhs, will be utilised for the avoidance of debt. Of the last-named sum, ₹24·70 lakhs will appear in the Provincial section of the estimates as a result of the arrangements explained in the Financial Statement for 1907-08 (*vide* also paragraph 221).

CONSTRUCTION OF PROTECTIVE RAILWAYS.

148. The small *minus* figure entered in the Revised estimate for 1914-15 represents the value of surplus stores of the Dharmapuri-Hosur extension of the Morappur-Dharmapuri Railway. No outlay on the construction of Protective railways is contemplated in 1915-16.

CONSTRUCTION OF PROTECTIVE IRRIGATION WORKS.

149. In the Budget estimate for 1914-15, a total allotment of R80 lakhs was made for outlay on Protective Irrigation works. Of this sum, R74·98 lakhs represented the amount available from the Famine Insurance grant for this purpose; and the balance of R5·02 lakhs was the supplementary provision made from the general resources of Government to foster the rapid development of this important class of works. The latter provision was shown under a separate head in the Irrigation section of the estimates. *Revised, 1914-15.*

150. The probable expenditure according to the Revised estimate will amount to R85·24 lakhs, owing to a satisfactory progress of work on most of the important projects. R75·22 lakhs of the outlay will be recorded in the Famine Relief and Insurance section of the accounts and the remaining R10·02 lakhs will appear in the Irrigation section.

151. In the Budget estimate for 1915-16 the total allotment for Protective Irrigation works amounts to R75 lakhs, the whole of which will be met from the amount available from the Famine Insurance grant for this purpose. The distribution of the grant of R75 lakhs is given in the table below. *Budget, 1915-16.*

	1914-15.		Budget, 1915-16.
	Budget.	Revised.	
1. Central Provinces:	R	R	R
(i) Tandula Canal	10,74,000	10,88,000	11,41,000
(ii) Tank projects	6,03,000	6,57,000	6,59,000
(iii) Other projects, etc.	2,23,000	1,13,000	2,54,000
2. Burma	4,000	6,000	...
3. Bengal	3,000	3,000	2,000
4. Bihar:			
(i) Tribeni Canal	2,46,000	1,78,000	1,85,000
(ii) Other projects, etc.	30,000	25,000	15,000
5. United Provinces:			
(i) Betwa Canal (including Dhukwan weir)	18,000	26,000	31,000
(ii) Ken „ (including Gangao dam)	3,48,000	2,78,000	2,87,000
(iii) Dassan „	34,000	62,000	35,000
(iv) Ghaggar „	6,16,000	6,78,000	5,80,000
(v) Other projects, etc.	2,64,000	3,36,000	2,28,000
6. Madras:			
(i) Mopad project	3,91,000	3,29,000	3,52,000
(ii) Other projects	1,09,000	1,11,000	73,000
7. Bombay:			
(i) Godaveri Canal	5,80,000	4,31,000	2,67,000
(ii) Chankapur Tank	...	60,000	49,000
(iii) Pravara river project	10,99,000	8,81,000	10,53,000
(iv) Nira Right Bank Canal	31,40,000	32,27,000	32,00,000
(v) Other projects, etc.	81,000	29,000	81,000
8. Minor administrations	7,000	6,000	8,000
9. Reserve provision	1,30,000	...	...
Deduct—Allowance for possible lapses in grants	*10,00,000*	...	*10,00,000*
	80,00,000	85,24,000	75,00,000
Deduct—Amount provided in the Irrigation Section (*vide* page 94) outside the Famine Insurance grant	*5,02,000*	*10,02,000*	...
Net provision under head "35.—Construction of Protective Irrigation Works"	74,98,000	75,22,000	75,00,000

XXVI to XXVIII and 38 to 41—RAILWAY REVENUE ACCOUNT.

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15. Budget.	1914-15. Revised.	Budget, 1915-16.
STATE RAILWAYS—	₹	₹	₹	₹	₹	₹
Gross Receipts	50,36,86,936	55,02,95,453	56,31,92,029	56,60,06,000	53,45,96,000	53,01,26,000
Deduct—						
Working Expenses	25,89,45,724	28,02,31,303	29,35,91,182	29,74,00,000	29,63,20,000	29,86,96,000
Surplus profits paid to Companies, etc.	72,30,008	1,06,44,626	66,12,854	96,26,000	1,02,86,000	73,23,000
Net Receipts	23,75,11,204	25,94,19,524	26,29,87,993	25,89,80,000	22,79,90,000	22,41,07,000
Net Revenue equivalent at ₹15=£1	£ 15,834,080	£ 17,294,635	£ 17,532,533	£ 17,265,300	£ 15,199,300	£ 14,940,400
Interest and capital redemption charges—						
Interest on Debt	6,279,070	6,683,164	6,887,812	7,047,500	7,544,900	7,666,800
Annuities in purchase of Railways	3,357,301	3,357,672	3,379,581	3,357,700	3,357,700	3,357,700
Sinking Funds	177,677	184,437	191,707	199,400	199,400	208,100
Interest chargeable against Companies on advances	385,140	389,384	415,303	343,700	97,600	98,900
Interest on Capital deposited by Companies	1,825,970	1,854,062	1,952,416	2,187,600	1,988,300	2,253,300
	12,025,158	12,468,719	12,826,849	13,135,900	13,187,900	13,584,800
Net Result	3,808,922	4,825,916	4,705,684	4,129,400	2,011,400	1,355,600
GUARANTEED RAILWAYS—						
Net Result	...	3,980	...	...	...	...
Other Receipts	57,645	73,174	93,101	64,400	69,000	88,800
Other Charges	78,797	99,716	9,252	273,100	166,800	254,700
Net Result	—21,152	—26,542	83,849	—208,700	—97,800	—165,900
TOTAL NET RESULT	3,787,770	4,803,354	4,789,533	3,920,700	1,913,600	1,189,700
Redemption of capital from revenue	812,928	840,561	869,165	898,775	898,775	929,427
STATISTICS—						
State Railways—						
Capital Expenditure to March 31st—						
Expenditure by Government*	195,464,910	204,310,398	214,768,922	224,231,198	222,952,189	224,057,856
Expenditure by Companies	38,604,907	39,687,927	41,510,962	43,099,027	42,508,262	42,370,562
Outlay on the East Indian Railway from Debentures raised by the Company	14,587,268	14,587,268	14,587,268	14,587,268	14,587,268	18,087,268
Outlay on the South Indian Railway by the Company	1,513,816	1,513,816	1,513,816	2,263,816	3,809,016	3,809,016
Outlay on the Bombay, Baroda and Central India Railway by the Company	959,364	972,697	1,007,364	1,071,397	1,079,697	1,113,030
Outlay on the Great Indian Peninsula Railway by the Company	3,253,158	3,253,158	3,253,158	3,253,158	3,253,158	6,253,158
TOTAL	254,383,423	264,325,264	276,641,490	288,505,864	288,189,590	298,190,890
Miles open on April 1	24,873	25,200	25,437	26,464	26,106	26,379

* The figures against this line include contribution by the Jaipur Durbar towards Capital outlay on the Nagda Muttra Railway, as follows :—

£	£	£	£	£	£
66,667	66,667	266,667	333,334	333,334	400,000

152. The Gross Receipts and Working Expenses of State Railways include the following figures on account of the Jorhat State Railway in Assam, which is the only line whose transactions are recorded in the Provincial section of the accounts:—

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	udget, 1914-15.	Revised, 1914-15.	Budget, 1915-16.
	R	R	R	R	R	R
Gross Receipts . . .	1,16,465	1,22,589	1,23,805	1,15,000	1,15,000	1,20,000
Working Expenses . . .	84,107	84,546	89,499	91,000	1,07,000	96,000

Revised, 1914-15.
Gross Receipts.

153. The Budget estimate of Gross Receipts for 1914-15 was placed at R56·60 crores, a moderate increase over the receipts of the previous year, which in the Revised estimate had been placed at R55·70 crores, being expected to accrue from normal development of traffic and increased open mileage. Up to the time war was declared, this anticipation seemed likely to be realised, the returns of traffic receipts for the first four months having shown an improvement of 39 lakhs over the corresponding period of the year before. In August however there was a sharp fall of receipts, and though there has since been some little recovery the monthly earnings of railways have continued to be well below the level of the previous year. It is now estimated that the receipts of the year will not exceed R53·46 crores. Almost all railways share in the falling off of R3·14 crores compared with the Budget estimate, but much the greater part of it occurs on the Great Indian Peninsula, the Eastern Bengal and the North Western, which between them contribute R2·40 crores, the loss being attributable mainly to the restricted exports of cotton, jute and wheat. The result would have been worse but for improved coaching receipts obtained from the transport of troops.

Working Expenses.

154. The Revised estimate of Working Expenses shows a small reduction of R10·80 lakhs compared with the Budget estimate which is due for the most part to savings in running expenses consequent on the smaller volume of traffic worked.

Surplus Profits.

155. The increase of R6·60 lakhs in the provision for payment of Surplus profits, etc., to Companies is due to the net receipts of the last quarter of 1913-14 having exceeded anticipations.

Budget, 1915-16.
Gross Receipts.

156. The Budget estimate of Gross Receipts for 1915-16 is taken at R53·01 crores or R45 lakhs lower than the Revised estimate of the current year. It is based on the assumption that the depression of trade and the disturbance of the economic life of the country caused by the war will continue in some measure throughout the ensuing year. On the other hand, allowance is made for some development which may be expected in spite of the war and for the earnings of new lines and extensions.

Working Expenses.

157. The grant for Working Expenses in 1915-16 exceeds the Revised estimate for the current year by R23·76 lakhs. The increase is due wholly to provision having been made for a larger programme of renewals of permanent way and rolling stock than that of the current year. Under ordinary Working Expenses the amount provided for next year is less than the Revised of the current year.

Surplus Profits.

158. Consequent on the large decline in the traffic carried in 1914-15, the Budget estimate for 1915-16 shows a decrease under Surplus profits of R29·63 lakhs compared with the Revised estimate of the current year, the payments on this account being based on the profits earned in the preceding year.

Interest charges, etc.

Revised, 1914-15.

159. The excess over the Budget estimate of 1914-15 under Interest and Capital redemption charges is due to the increase in the rate of interest charged on certain loan funds (*vide* paragraph 61).

In the details, the increase under Interest on Debt is to a large extent counterbalanced by decreases under Interest on Deposits and Advances to Railway Companies due to a change in the method of accounting for certain transactions relating to the Bengal-Nagpur Railway extensions.

Budget, 1915-16.

160. The increase in the total Interest charges in 1915-16 is a result of the continued growth in the capital outlay on railways.

Other Receipts.

161. The receipts shown under this head represent recoveries from the Travancore Durbar of its share of the loss on the Travancore Branch of the South Indian Railway; the Government share of the surplus profits of the Rohilkhand and Kumaon, Southern Punjab and Amritsar-Patti Railways, payable under the terms of their respective contracts; and dividends on certain shares of the Ahmedabad-Dholka Railway allotted to Government in re-payment of expenditure incurred by it on behalf of the railway. The improvement of R·69 lakhs (£4,600) on the Budget estimate of receipts in the current year and the increase of R2·97 lakhs (£19,800) provided in the Budget of 1915-16 is mainly due to the increase in the Government share of surplus profits of the Southern Punjab Railway Company.

Other Charges.

162. These consist of cost of land required by certain companies, the contracts with which provide for the free supply of all land wanted for the purposes of the railways undertaken by them and of miscellanous items such as surveys and controlling establishments (including the Railway Board). A share of the cost of control is charged to the working expenses of each railway company and the recoveries thus made are adjusted by deduction from the miscellaneous expenditure. The details are:—

	Accounts, 1913-14.	1914-15.		1915-16.
		Budget.	Revised.	Budget.
Imperial.	R	R	R	R
1. Subsidized Companies—Land .	7,88,791	29,00,000	17,00,000	30,00,000
2. Miscellaneous Expenditure .	−6,87,945	11,82,000	7,91,000	8,04,000
Provincial.				
1. Subsidized Companies—Land .	38,396	15,000	10,000	17,000
2. Miscellaneous Expenditure—Surveys	−465	...	...	...
TOTAL . R	1,38,777	40,97,000	25,01,000	38,21,000
TOTAL . £	9,252	273,100	166,800	254,700

Land.—A lapse of R12 lakhs is expected in the Imperial Budget grant for the current year, due to the postponement of several projects and to short outlay on the Sara-Serajganj, Phagwara-Rahon and Jullundur-Mukerian Railways. The principal allotments made in 1915-16 are for the Ahmedpur-Kutwa, Bankura-Damoodar, Dindigul-Palghat, Kalighat-Fulta, Sara-Serajganj, and Tinnevelly-Tiruchendur Railways.

Miscellaneous Expenditure.—The lapse of R3·91 lakhs in the Revised estimate for 1914-15 is due chiefly to survey operations being restricted in consequence of officers having been placed on military duty. The Budget for 1915-16 is made up as follows:—

	R.
Allotment for Surveys	9,00,000
Charges for Railway Board and other establishments . .	15,28,000
Deduct—Recoveries from Railway Companies on account of cost of supervision	16,24,000
TOTAL .	8,04,000

XXIX—XXX AND 42, 42-A and 43.—IRRIGATION.

IRRIGATION.	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
MAJOR WORKS.	R	R	R	R	R	R
Revenue — Direct Receipts	3,57,22,988	3,91,12,179	4,14,89,485	3,99,25,000	4,12,53,000	4,15,38,000
Revenue — Land Revenue	2,02,71,977	2,30,73,667	2,52,05,614	2,43,21,000	2,54,58,000	2,61,43,000
Expenditure — Working Expenses	1,71,76,543	1,75,26,591	1,82,16,430	1,87,41,000	1,91,46,000	1,90,71,000
Expenditure — Interest	1,59,94,080	1,73,66,737	1,77,92,499	1,86,58,000	1,86,90,000	1,95,16,000
NET REVENUE IN INDIA . . R	2,28,24,342	2,72,92,518	3,07,46,170	2,68,47,000	2,83,75,000	2,90,94,000
Equivalent in Sterling £	1,521,623	1,819,501	2,049,744	1,789,800	1,925,000	1,939,600
Expenditure in England (mainly Interest) . £	116,595	124,731	118,693	120,900	120,600	122,200
NET REVENUE . £	1,405,028	1,694,770	1,931,051	1,668,900	1,804,400	1,817,400
CONSTRUCTION OF PROTECTIVE WORKS . £	...	...	83,689	33,500	66,800	...
MINOR WORKS.						
Receipts—Direct . .	37,05,809	39,82,403	39,42,289	41,44,000	38,88,000	42,48,000
Expenditure . .	1,26,91,097	1,27,36,211	1,39,15,998	1,50,56,000	1,54,84,000	1,43,42,000
NET EXPENDITURE IN INDIA . . . R	89,85,288	87,53,808	99,73,709	1,09,12,000	1,15,96,000	1,00,94,000
Equivalent in Sterling £	599,019	583,587	664,914	727,500	773,100	672,900
Expenditure in England £	840	1,894	1,156	...	300	...
NET EXPENDITURE £	599,859	585,481	666,070	727,500	773,400	672,900
STATISTICS OF MAJOR WORKS.						
Capital Outlay to March 31 . . . R	53,59,97,753	56,32,80,455	59,16,14,071	61,75,56,000	61,74,95,000	64,12,38,000
Equivalent in Sterling £	35,733,184	37,552,030	39,440,938	41,170,400	41,166,300	42,749,200

General Result.

Major Irrigation.

163. Taking India as a whole, the net financial result of the working of Major Irrigation works in 1914-15 will be better than the Budget forecast by £135,500 (R20·33 lakhs). There is an improvement of R13·28 lakhs in the Direct Receipts and of R11·37 lakhs in the share of Land Revenue. But R4·32 lakhs of it are required to meet an increase in expenditure, mainly under Working Expenses. A further rise of £13,000 (1·95 lakhs) in the net profit is expected in the ensuing year. An advance of R2·85 lakhs is anticipated in the Direct Receipts and of R6·85 lakhs in the share of Land Revenue; and there will be a small reduction of R·75 lakh in Working Expenses. But allowance has been made for a large growth of R8·50 lakhs in the interest charges, in consequence of the considerable outlay now being incurred on new projects in the Punjab and elsewhere, the benefits of which will not be realised for some time to come.

Minor Irrigation.

The net result under Minor Irrigation works in 1914-15 is worse than the Budget estimate by £45,900 (R6·88 lakhs) owing to a decline in revenue and an increase in expenditure; the estimate for next year provides for some rise in the receipts and for a large reduction in expenditure.

164. The figures for Land Revenue due to Irrigation have already been examined in paragraphs 10 and 11 along with those for Land Revenue proper. The details of the other heads are exhibited in the following tables.

XXIX AND 42.—MAJOR WORKS.

Direct Receipts.

IRRIGATION.	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. Central Provinces	58,508	93,231	1,39,771	1,34,000	1,07,000	1,04,000
2. Burma	9,15,430	10,03,899	12,43,922	11,20,000	11,94,000	12,00,000
3. United Provinces	3,13,702	2,43,041	4,44,386	2,20,000	2,56,000	4,79,000
4. North-West Frontier	7,19,905	8,21,632	8,51,212	8,50,000	8,43,000	9,30,000
Total	20,07,545	21,61,803	26,79,291	23,24,000	24,00,000	27,13,000
Divided and Provincial.						
1. Bengal	...	2,73,918	2,46,579	2,67,000	2,40,000	2,40,000
2. Bihar and Orissa	...	23,30,797	25,75,520	23,72,000	24,12,000	25,50,000
3. United Provinces	82,60,232	79,57,265	93,25,086	88,84,000	1,00,44,000	89,75,000
4. Punjab	2,13,07,959	2,47,46,266	2,46,57,424	2,42,03,000	2,42,05,000	2,52,01,000
5. Madras	2,53,100	2,74,097	2,65,374	2,65,000	3,05,000	2,62,000
6. Bombay	13,36,152	13,68,033	17,40,211	16,10,000	16,47,000	15,97,000
Bengal (old)	25,58,000	...	...	...	...	...
Total	3,37,15,443	3,69,50,376	3,88,10,194	3,76,01,000	3,88,53,000	3,88,25,000
TOTAL ₹	3,57,22,988	3,91,12,179	4,14,89,485	3,99,25,000	4,12,53,000	4,15,38,000
Equivalent in Sterling £	2,381,533	2,607,478	2,765,966	2,661,700	2,750,200	2,769,200

WORKING EXPENSES.

Imperial.						
1. India General (Reserve)	...	...	...	1,92,000	...	63,000
2. Central Provinces	34,938	81,023	75,429	78,000	78,000	78,000
3. Burma	3,62,822	4,47,428	4,45,896	5,62,000	9,00,000	6,02,000
4. United Provinces	3,73,614	3,90,411	4,64,160	4,49,000	4,21,000	4,57,000
5. North-West Frontier	3,21,398	3,10,719	3,03,887	3,00,000	3,69,000	6,00,000
Total	10,92,772	12,29,581	12,89,372	15,81,000	17,68,000	18,00,000
Divided and Provincial.						
1. Bengal	...	2,35,717	2,97,789	2,96,000	2,58,000	2,67,000
2. Bihar and Orissa	...	12,66,071	13,01,899	14,62,000	14,12,000	14,20,000
3. United Provinces	31,11,394	28,97,451	29,60,062	30,21,000	30,17,000	29,88,000
4. Punjab	79,35,356	82,21,807	83,21,486	86,01,000	86,01,000	89,42,000
5. Madras	22,23,700	20,50,980	23,77,656	22,36,000	25,25,000	21,10,000
6. Bombay	14,11,254	16,24,984	16,68,166	15,44,000	15,65,000	15,44,000
Bengal (old)	14,02,067	...	...	...	...	...
Total	1,60,83,771	1,62,97,010	1,69,27,058	1,71,60,000	1,73,78,000	1,72,71,000
TOTAL INDIA ₹	1,71,76,543	1,75,26,591	1,82,16,430	1,87,41,000	1,91,46,000	1,90,71,000
Equivalent in Sterling £	1,145,103	1,168,439	1,214,429	1,249,400	1,276,400	1,271,400
England £	...	1	14	...	...	...
Total	1,145,103	1,168,440	1,214,443	1,249,400	1,276,400	1,271,400

Direct Receipts.

(*a*) *Imperial.*

165. The total Revised estimate for 1914-15 exceeds the Budget by R·76 lakh mainly owing to improved receipts from the Mandalay and Shwebo canals in Burma. The total Budget estimate for 1915-16 provides for a rise of R3·13 lakhs over the Revised for the current year, chiefly in consequence of the expected opening of the Upper Swat River canal and the development of the Imperial canals in the United Provinces. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Divided and wholly Provincial.*

166. The total Revised estimate for 1914-15 exceeds the Budget by R12·52 lakhs. The bulk of the improvement is expected in the United Provinces, and is due to the irrigation of larger areas for the *rabi* and *kharif* crops, consequent on a deficient rainfall. The total Budget for 1915-16 does not differ materially from the Revised estimate for the current year. It is based generally on the demand for *rabi* irrigation in the current year and on normal requirements in connection with next year's *kharif.* *Revised, 1914-15.* *Budget, 1915-16.*

Working Expenses.

(*a*) *Imperial.*

167. The total expenditure in 1914-15 is likely to exceed the Budget provision by R1·87 lakhs. An increase of R3·38 lakhs is expected in Burma, due to higher outlay on the head works of the Mandalay canal and the reconstruction of a drainage crossing on the South Mon canal; and of R·69 lakh in the North-West Frontier Province mainly under Establishment charges, owing to the formation of a new sub-division on the Lower Swat river canal. But a portion of this increase will be met from the reserve of R1·92 lakhs for unforeseen requirements and from a small lapse in the grant for the United Provinces. The total Budget estimate for 1915-16 exceeds the Revised estimate for the current year by R·32 lakh. Provision has been made in the North-West Frontier Province for the maintenance charges of the Upper Swat river canal, which is likely to be opened in the ensuing year; for normal outlay in the other provinces; and for a reserve of R·63 lakh for unforeseen expenditure. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Divided and wholly Provincial.*

168. The total expenditure in 1914-15 is likely to exceed the Budget grant by R2·18 lakhs. The increase is due to higher outlay in Madras, chiefly on maintenance and repairs of the Kistna and Cauvery Delta systems, necessitated by flood damages and other causes. The Budget estimate for 1915-16 provides generally for a normal scale of expenditure and for outlay on certain improvements urgently required on the Western Jumna and Sirhind canals in the Punjab. The total Budget is less than the Revised estimate for 1914-15 by R1·07 lakhs. *Revised, 1914-15.* *Budget, 1915-16.*

42A.—EXPENDITURE ON PROTECTIVE IRRIGATION WORKS IN ADDITION TO THAT CHARGED UNDER FAMINE RELIEF AND INSURANCE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
India . . R	...	...	12,55,344	5,02,000	10,02,000	...
Equivalent in sterling £	...	...	83,689	33,500	66,800	...

169. The figures have already been explained in paragraphs 150 and 151.

XXX AND 43.—MINOR WORKS AND NAVIGATION.

Revenue.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General .	18,852	18,382	21,643	20,000	15,000	17,000
2. Delhi . . .	...	565	1,367	1,000	1,000	1,000
3. Baluchistan . .	46,405	67,211	66,734	86,000	64,000	80,000
4. Punjab . .	7,42,905	7,98,438	9,02,661	8,41,000	7,50,000	9,50,000
Total .	8,08,162	8,84,596	9,92,405	9,48,000	8,30,000	10,48,000
Divided and Provincial.						
1. Central Provinces .	31,045	47,423	56,221	62,000	43,000	70,000
2. Burma . . .	12,75,025	14,41,267	13,68,741	16,04,000	15,14,000	15,76,000
3. Bengal (new) .	...	6,90,060	6,13,882	6,60,000	5,75,000	6,20,000
4. Bihar and Orissa .	...	75,522	72,167	73,000	73,000	73,000
5. United Provinces .	1,50,841	1,79,913	1,32,109	1,44,000	1,80,000	1,64,000
6. Punjab . . .	56,369	66,869	76,040	74,000	70,000	89,000
7. Madras . . .	2,16,985	2,31,552	2,52,323	2,31,000	2,25,000	2,39,000
8. Bombay . .	3,65,836	3,65,201	3,78,401	3,48,000	3,78,000	3,69,000
Eastern Bengal and Assam . .	48	...	...	...	...	...
Bengal (old) . .	8,01,498	...	...	...	...	...
Total .	28,97,647	30,97,807	29,49,884	31,96,000	30,58,000	32,00,000
TOTAL, ₹	37,05,809	39,82,403	39,42,289	41,44,000	38,88,000	42,48,000
Equivalent in Sterling £	247,054	265,494	262,819	276,200	259,200	283,200

Expenditure.

Imperial.						
1. India General .	78,641	1,02,541	59,962	7,14,000	61,000	6,07,000
2. Delhi . . .	...	1,434	898	3,000	3,000	3,000
3. Baluchistan . .	3,04,208	3,63,780	3,84,187	2,28,000	3,06,000	1,36,000
4. Punjab . . .	10,09,200	9,17,328	9,39,520	9,00,000	11,00,000	8,93,000
5. North-West Frontier	39,090	37,870	52,654	63,000	59,000	63,000
Total .	14,31,139	14,22,953	14,37,221	19,08,000	15,29,000	17,02,000
Divided and Provincial.						
1. Central Provinces .	5,35,221	4,64,743	5,73,720	9,67,000	9,04,000	6,00,000
2. Burma . . .	14,26,708	12,85,756	10,95,549	14,50,000	12,50,000	12,10,000
3. Assam . . .	...	66,634	1,15,211	1,79,000	1,32,000	64,000
4. Bengal (new) . .	...	15,38,237	19,26,421	22,46,000	27,96,000	22,94,000
5. Bihar and Orissa .	...	4,01,830	4,89,670	4,93,000	4,43,000	4,70,000
6. United Provinces .	4,22,432	3,78,882	4,45,070	2,75,000	4,71,000	2,86,000
7. Punjab . . .	1,07,297	3,98,397	2,82,970	96,000	2,18,000	1,52,000
8. Madras . . .	35,70,377	36,34,683	40,22,399	41,22,000	44,50,000	42,00,000
9. Bombay . .	31,73,167	31,44,096	35,27,767	33,20,000	32,91,000	33,64,000
Eastern Bengal and Assam . .	1,29,956	...	...	...	...	...
Bengal (old) . .	18,94,800	...	...	...	...	...
Total .	1,12,59,958	1,13,13,258	1,24,78,777	1,31,48,000	1,39,55,000	1,26,40,000
TOTAL INDIA ₹	1,26,91,097	1,27,36,211	1,39,15,998	1,50,56,000	1,54,84,000	1,43,42,000
Equivalent in Sterling £	846,073	849,081	927,733	1,003,700	1,032,300	956,100
England . . £	840	1,894	1,156	...	300	...
GRAND TOTAL £	846,913	850,975	928,889	1,003,700	1,032,600	956,100

REVENUE.

(a) *Imperial.*

Revised, 1914-15. 170. The decline of R1·18 lakhs in the revenue in the current year as compared with the Budget estimate is chiefly due to a smaller demand for water from the Imperial canals in the Punjab. The Budget estimate for 1915-16 is based on a normal demand for irrigation.

Budget, 1915-16.

(b) *Divided and Provincial.*

Revised, 1914-15. 171. The total Revised estimate for 1914-15 is less than the Budget by R1·38 lakhs. The decrease is mainly due to a fall in revenue from canals in certain districts in Burma, and in the navigation canals in eastern Bengal consequent on a reduction in the jute traffic. The Budget estimate for 1915-16 provides for normal collections in all the provinces.

Budget, 1915-16.

EXPENDITURE.

(a) *Imperial—India and England.*

Revised, 1914-15. 172. The Budget estimate of the current year included the usual grant of R5 lakhs in aid of special expenditure entailed by the recommendations of the Irrigation Commission, and a reserve of R·73 lakh for unforeseen requirements. From these special provisions, R1·53 lakhs have been assigned to the United Provinces to meet Provincial outlay on tank restoration works; R2 lakhs will be required for special repairs on the Imperial inundation canals in the Punjab necessitated by heavy rainfall; and R·69 lakh will be spent on the Khusdil Khan reservoir and Surkhab river projects in Baluchistan. The balance of the special allotments will lapse. These causes account for the decrease of R3·74 lakhs in the Revised estimate for 1914-15, as compared with the Budget.

Budget, 1915-16. 173. The total Budget estimate for 1915-16 exceeds the Revised for the current year by R1·68 lakhs. Provision has been made for the special grant of R5 lakhs. But a reduction is anticipated in the expenditure on the Imperial inundation canals in the Punjab, owing to the absence of the special repairs undertaken in the current year; and in Baluchistan no allotments have yet been made for the projects which are financed from the special grant mentioned above.

(b) *Divided and Provincial.*

Revised, 1914-15. 174. The total Revised estimate for 1914-15 exceeds the Budget grant by R8·07 lakhs. There is an increase of R5·50 lakhs in Bengal, owing to the purchase of a dredger for the maintenance of waterways; of R3·28 lakhs in Madras, due to special repairs necessitated by flood damages; of R1·96 lakhs in the United Provinces, caused mainly by expenditure on tank restoration works financed by special assignments from Imperial revenues (see paragraph 172); and of R1·22 lakhs in the Punjab, in consequence of outlay on certain necessary projects for which no provision was made in the Budget. But these excesses will be partially counterbalanced by lapses in grants in Burma and in the remaining provinces.

Budget, 1915-16. 175. The total Budget estimate for 1915-16 is taken at R13·15 lakhs less than the Revised estimate of the current year. The decrease is partly due to the absence of the special expenditure incurred in the current year and referred to in the preceding paragraph. Provision has generally been made for sanctioned establishments and for a normal scale of expenditure. But in Burma, some curtailment of grants has been necessary owing to the position of the Provincial finances.

44.—CONSTRUCTION OF RAILWAYS CHARGED TO PROVINCIAL REVENUES.

		Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
					Budget.	Revised.	
Provincial.							
Assam	₹	12,53	63,984	21,213	29,000	24,000	20,000
	£	836	4,266	1,414	1,900	1,600	1,300

176. The charges represent capital outlay in connection with the Jorhat Railway and are unimportant in character.

XXXI and 45.—CIVIL WORKS.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General .	34,19,254	71,05,987	28,97,403	38,99,000	31,16,000	35,73,000
2. Delhi . . .	...	8,16,633	19,16,010	17,03,000	14,82,000	13,36,000
3. Baluchistan . .	8,60,851	9,61,402	11,62,343	10,05,000	11,01,000	10,11,000
4. North-West Frontier	23,35,928	26,25,826	34,62,786	34,23,000	33,12,000	25,86,000
5. Other Provinces .	46,21,372	39,89,659	49,25,688	53,57,000	55,06,000	50,01,000
Total .	1,12,37,405	1,54,99,507	1,43,64,230	1,53,87,000	1,45,17,000	1,35,07,000
Provincial.						
1. Central Provinces .	56,36,262	67,66,686	68,83,785	75,76,000	80,09,000	67,53,000
2. Burma . . .	1,01,61,370	82,57,096	1,01,11,603	1,47,38,000	1,08,75,000	1,02,63,000
3. Assam . . .	...	43,16,217	66,17,426	49,23,000	54,16,000	42,50,000
4. Bengal (new) .	...	90,02,139	1,02,18,648	1,10,36,000	1,17,79,000	86,97,000
5. Bihar and Orissa .	...	59,81,947	83,23,760	1,02,88,000	95,82,000	90,98,000
6. United Provinces .	71,21,797	73,84,393	90,03,926	75,78,000	71,50,000	75,68,000
7. Punjab . .	62,75,248	68,75,537	96,94,507	1,11,88,000	92,98,000	77,22,000
8. Madras . .	1,10,12,637	1,56,63,903	1,64,89,730	1,80,02,000	1,66,43,000	1,09,73,000
9. Bombay . .	1,35,42,061	97,85,149	1,19,03,975	98,69,000	1,05,69,000	80,57,000
Eastern Bengal and Assam . .	67,18,032	...	...	...	...	...
Bengal (old) . .	88,21,485	...	...	...	...	...
Total .	6,92,88,892	7,40,33,067	8,92,47,360	9,51,98,000	8,93,21,000	7,33,81,000
TOTAL INDIA . ₹	8,05,26,297	8,95,32,574	10,36,11,590	11,05,85,000	10,38,38,000	8,68,88,000
Equivalent in Sterling £	5,368,419	5,968,838	6,907,440	7,372,400	6,922,600	5,792,600
England . . . £	84,793	90,665	101,184	82,200	86,400	21,200
TOTAL . £	5,453,212	6,059,503	7,008,624	7,454,600	7,009,000	5,813,800

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General .	6,38,618	1,13,050	83,228	66,000	72,000	72,000
2. Delhi . . .	...	4,649	1,42,894	48,000	1,54,000	1,48,000
3. Baluchistan . .	44,388	41,413	43,914	40,000	45,000	44,000
4. North-West Frontier	1,37,210	2,90,186	1,48,739	1,42,000	1,56,000	1,51,000
5. Other Provinces .	2,33,632	2,45,548	2,70,028	2,44,000	2,48,000	2,18,000
Total .	10,53,848	6,94,876	6,88,803	5,40,000	6,75,000	6,33,000
Provincial.						
1. Central Provinces .	5,64,490	13,15,898	2,41,530	2,34,000	2,52,000	2,52,000
2. Burma . . .	2,96,425	3,31,317	3,45,615	3,31,000	3,34,000	3,35,000
3. Assam . . .	...	1,40,764	1,50,703	1,54,000	1,60,000	1,62,000
4. Bengal (new) .	...	5,27,559	6,00,292	5,29,000	6,34,000	5,82,000
5. Bihar and Orissa .	...	2,88,251	3,54,127	3,15,000	3,68,000	3,74,000
6. United Provinces .	4,27,046	4,49,720	5,38,595	4,24,000	4,54,000	4,25,000
7. Punjab . . .	6,20,941	5,10,712	5,21,946	5,04,000	4,03,000	3,96,000
8. Madras . . .	2,71,824	3,05,312	3,32,418	3,21,000	4,02,000	3,87,000
9. Bombay . . .	7,04,497	7,67,301	7,05,577	2,39,000	3,15,000	2,95,000
Eastern Bengal and Assam . .	3,46,260	...	...	...	...	...
Bengal (old) . .	6,18,536	...	...	...	...	...
Total .	38,50,019	46,36,834	37,90,803	30,51,000	33,22,000	32,08,000
TOTAL INDIA . ₹	49,03,867	53,31,710	44,79,606	35,91,000	39,97,000	38,41,000
Equivalent in Sterling £	326,924	355,447	298,640	239,400	266,400	256,100

177. The Imperial revenue and expenditure shown against "Other Provinces" represent the transactions in connection with the buildings of the various departments, *e.g.*, Salt, Customs, etc., the receipts and charges of which are wholly Imperial.

EXPENDITURE.

(*a*) *Imperial.—India and England.*

Revised, 1914-15.

178. The total expenditure in 1914-15 is expected to fall short of the Budget estimate by R8·07 lakhs. The decrease is mainly due to a partial utilisation of the reserve for unforeseen expenditure, and to lapses in the allotments for the new Custom House and for the extension of the Currency Office and of the Mint at Bombay; for the new Post Office at Allahabad; and for a new police building and for improvements to roads in Delhi.

Budget, 1915-16.

179. In 1915-16 the total Imperial grant has been fixed at R100 lakhs, exclusive of R5·05 lakhs allotted for expenditure incurred in the Civil Department, mostly in the several minor administrations, and of sums aggregating R33·20 lakhs to be spent by the administrations of the North-West Frontier Province (25 lakhs) and Baluchistan (8·20 lakhs). A large curtailment of grants has been made everywhere in view of the financial position.

180. The purposes to which the grant of R100 lakhs mentioned in the preceding paragraph will be applied are shown below :—

	In lakhs of rupees. R	
(*a*) Ordinary grant—		
(1) Establishment and miscellaneous charges	15·32	
(2) Repairs	20·96	
(3) Works in progress	25·65	
(4) New works—		
(*a*) costing up to R5,000	8·78	
(*b*) costing more than R5,000	9·78	
(5) Payments in England for stores, furlough allowances, etc.	3·18	
(6) Reserve for Archæological expenditure	1·28	
(7) Reserve for other unforeseen expenditure	3·75	
		88·70
(*b*) Delhi Province—		
(1) Works in progress	·97	
(2) New works—		
(*a*) costing up to R5,000	·91	
(*b*) costing more than R5,000	2·31	
(3) Repairs	5·51	
(4) Establishment and Tools and Plant	1·41	
(5) Archæological expenditure	·19	
		11·30
		100·00

181. The following is a list of the new works and works in progress on which it is probable that allotments of R1 lakh or more will be made from the ordinary grant in the ensuing year :—

Province.	Name of work.	Amount of grant.
		R
Bihar and Orissa .	Post and Telegraph office buildings in the new Capital with quarters for Postmaster and Signallers .	1,50,000
Bombay . .	New Custom House at Karachi	1,58,000
„ . .	„ at Bombay	4,00,000
„ . .	Extension of the Currency Office at Bombay . .	1,25,000
„ . .	Quarters for the Preventive officers, Customs Department, at Bombay (Matunga)	1,15,000
Delhi .	New Kotwali at Delhi	1,47,000
Burma . .	New Custom House at Rangoon	1,45,000
„ . .	New Telegraph Office at Rangoon	2,70,000
Madras . .	Acquisition of premises for the Currency Office at Madras	1,50,000
Central Provinces .	New Postal building, Nagpur	1,00,000

(*b*) *India—Provincial.*

Revised, 1914-15.

182. The total Revised estimate for 1914-15 is less than the Budget by R58·77 lakhs. The Budget provided for an outlay of about R80½ lakhs on Civil Works from the special Imperial assignments made in recent years for education, sanitation etc. The total outlay of this class in the current year is now estimated at about R89 lakhs; and eliminating this special expenditure as well as the corresponding Budget provision, the Revised estimate under Civil Works falls short of the Budget by about R67 lakhs. The real saving is larger, for a portion of the expenditure against some of the ordinary grants provided in the Budget under Education, Medical and other heads is recorded in the accounts under Civil Works. Considerable lapses in the grants provided under the latter head, otherwise than from the special appropriations from Imperial revenues referred to above, are expected in Bengal (R11 lakhs), Bihar and Orissa (R17 lakhs), Burma (R14 lakhs), the United Povinces (R7 lakhs), and the Punjab (R6 lakhs), owing mainly to a curtailment of the programme of construction contemplated in the Budget which has become necessary in consequence of the financial situation. In Bombay alone, the expenditure is expected to exceed the Budget grant owing mainly to the purchase of land from the Bombay City Improvement Trust for the Parel Laboratory.

Budget, 1915-16.

183. The table below compares the details of the grants for 1915-16 in the various provinces, so far as settled at present, with the probable expenditure in the current year.

REVISED, 1914-15.

[Lakhs of Rupees.]

Provinces.	Grants to		Outlay in the Public Works Department on			Other items.	Total.
	Local Boards and Municipalities.	Other local bodies.	Original works.	Repairs.	Establishment charges.		
1. Central Provinces . . .	5·87	...	43·83	17·82	10·50	2·02	80·09
2. Burma	6·00	...	48·55	34·00	18·60	1·60	108·75
3. Assam	10·86	...	23·02	12·03	7·11	1·14	54·16
4. Bengal	13·66	11·55	54·86	22·95	12·40	2·37	117·79
5. Bihar and Orissa . . .	11·94	...	58·40	8·94	9·25	7·29	95·82
6. United Provinces . . .	4·84	...	28·65	24·87	11·06	2·08	71·50
7. Punjab	19·91	...	45·41	17·00	8·50	2·16	92·98
8. Madras	70·96	6·96	61·82	8·92	14·12	3·65	166·43
9. Bombay	8·27	...	58·18	21·08	15·08	3·08	105.69
Total .	152·31	18·51	422·77	167·61	106·62	25·39	893·21

BUDGET, 1915-16.

[Lakhs of Rupees.]

PROVINCES.	GRANTS TO		OUTLAY IN THE PUBLIC WORKS DEPARTMENT ON				
	Local Boards and Municipalities.	Other local bodies.	Original Works.	Repairs.	Establishment charges.	Other items.	TOTAL.
1. Central Provinces . . .	2·02	...	31·26	21·74	10·50	2·01	67·53
2. Burma	12·00	...	31·22	33·00	20·00	6·41	102·63
3. Assam	4·41	...	14·78	14·24	7·48	1·59	42·50
4. Bengal	10·16	11·55	28·88	22·00	13·50	·88	86·97
5. Bihar and Orissa . . .	8·63	...	60·51	8·25	9·00	4·59	90·98
6. United Provinces . . .	4·53	...	31·94	24·38	12·08	2·75	75·68
7. Punjab	13·14	...	35·08	17·50	8·78	2·72	77·22
8. Madras	30·93	3·01	50·55	8·44	15·05	1·75	109·73
9. Bombay	8·27	...	28·25	21·93	15·00	7·12	80·57
TOTAL .	94·09	14·56	312·47	171·48	111·39	29·82	733·81

Budget, 1915-16.

184. The total Budget estimate for 1915-16 is less than the Revised estimate for the current year by ₹159·40 lakhs. The large decrease reflects the policy of retrenchment which has been dictated by the financial position brought about by the war. Heavy reductions have been made in the provision for grants to local bodies and for original works, in view of the decline in the Provincial revenues and the need for restricting the drafts on Provincial balances. Allotments aggregating ₹30½ lakhs only have been made for outlay on Civil Works from the special Imperial assignments made in recent years, against a corresponding outlay of ₹89 lakhs included in the Revised estimate of the current year.

185. The total provision for grants to local boards and municipalities in 1915-16 is ₹58·22 lakhs less than the similar expenditure in 1914-15. The bulk of the decrease occurs in Madras (₹40·03 lakhs) and is due to a reduction in the special non-recurring grants given to local bodies for minor sanitary works, the construction of roads and bridges and various other purposes. A reduced provision for similar non-recurring grants has been made in most other provinces also.

186. The figures shown under "Grants to other local bodies" consist mainly of contributions to the Calcutta Improvement Trust (₹11·50 lakhs), and to the Madras Corporation (₹3 lakhs) for water-supply and drainage works. The first of these contributions represents grants from Imperial revenues passed through the Provincial account. It includes the final instalment of the non-recurring payment of ₹50 lakhs.

187. The total provision for Original Works in 1915-16 is less than the probable expenditure in the current year by over a crore of rupees. The grants have been restricted in all the provinces to urgent requirements. Provision has been made in Bihar and Orissa for progress of work in connection with the Bankipore buildings and the Lunatic Asylum at Ranchi.

188. The Budget grants for Repairs and for Establishment charges are generally based on normal requirements, and in the latter case on the assumption that the orders restricting the grant of leave out of India will continue to be in operation throughout the ensuing year The increase under "Other Items" as compared with the Revised estimate for the current year is mainly due to the provision of the usual reserve in Bombay and Burma.

REVENUE.

(*a*) *Imperial.*

Revised, 1914-15. 189. The total Revised estimate for 1914-15 exceeds the Budget by R1·35 lakhs, mainly in consequence of higher receipts in Delhi from the rent of buildings occupied by Government officials and the supply of electric energy. The total Budget estimate for 1915-16 does not differ materially from the *Budget, 1915-16.* Revised for the current year.

(*b*) *Provincial.*

Revised, 1914-15. 190. The total Revised estimate for 1914-15 shows a rise of R2·71 lakhs over the Budget estimate. Increased receipts are expected in all the provinces from the rent and sale of Government buildings and from other sources The decrease of R1·01 lakhs shown against the Punjab in the table on page 98 is due to the remission of certain contributions hitherto recovered from local bodies, budget provision for which was made under "32—Miscellaneous" (see *Budget, 1915-16.* paragraph 139). The Budget estimate for 1915-16 provides generally for normal receipts in all the provinces.

XXXII and 46.—ARMY.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	1915-1916. Budget.
EXPENDITURE.	R	R	R	R	R	R
INDIA—						
Effective Services—						
Administration	69,23,994	69,75,270	71,56,430	69,92,860	63,44,000	53,56,960
Military Accounts	29,15,540	29,15,887	30,13,241	29,50,320	28,09,000	24,94,870
Regimental Pay, etc.	12,45,65,223	12,20,93,251	12,23,80,051	12,49,98,430	10,86,00,000	8,25,51,710
Supply and Transport	3,01,50,763	3,36,92,689	3,42,78,307	3,49,60,900	3,14,38,000	2,60,24,920
Veterinary	4,93,567	5,00,023	5,02,617	5,03,920	4,07,000	3,28,900
Clothing	12,58,800	15,68,321	19,26,690	19,93,870	34,72,000	27,34,290
Remounts	47,13,862	49,28,434	46,52,456	54,71,930	54,53,000	43,74,970
Medical Services	57,83,758	56,96,320	57,50,474	60,26,400	53,19,000	42,55,040
Medical Stores	5,65,779	5,06,157	5,51,826	5,06,570	5,21,000	5,35,610
Ordnance	88,17,906	98,54,097	95,87,161	1,06,75,350	1,06,43,000	80,28,340
Ecclesiastical	4,17,979	4,30,154	4,27,183	4,37,490	4,43,000	4,12,460
Education	12,52,272	12,41,097	13,47,675	14,57,350	10,40,000	5,97,350
Compensation for Food, etc.	48,96,685	57,56,698	62,81,040	63,95,000	57,10,000	43,37,000
Miscellaneous Services	89,22,432	31,25,192	28,42,035	21,09,280	3,11,29,000	7,37,71,660
Hutting	3,04,955	6,98,816	2,10,975	2,00,000	2,00,000	2,00,000
Conveyance by Road, River, and Sea	8,74,856	15,95,814	8,47,034	9,00,950	7,99,000	7,51,600
Conveyance by Rail	43,35,239	38,62,887	42,48,200	46,01,570	43,45,000	37,74,770
Cantonments	13,63,144	14,75,915	24,27,498	13,63,810	16,09,000	13,87,550
Unadjusted Expenditure	—1,52,782	—6,79,193	1,29,023	...	...	...
TOTAL R	20,84,03,972	20,62,37,829	20,85,59,916	21,25,46,000	22,02,81,000	22,19,18,000
Non-effective Services— R	1,04,85,675	1,07,43,291	1,09,57,429	1,10,03,000	1,10,41,000	1,55,87,000
TOTAL INDIA R	21,88,89,647	21,69,81,120	21,95,17,345	22,35,49,000	23,13,22,000	23,75,05,000
Equivalent in sterling £	14,592,643	14,465,408	14,634,490	14,903,200	15,421,400	15,833,600
ENGLAND—	£	£	£	£	£	£
Effective Services—						
Payments to War Office for British Forces	914,000	941,643	917,287	920,000	930,700	930,700
Furlough Allowances, etc., of British Forces	135,990	141,456	145,302	139,000	81,000	4,000
Consolidated Clothing Allowances of British Soldiers	48,460	455	412	16,000	20,800	20,400
Furlough Allowances, Indian Service	363,216	355,676	361,405	365,000	265,000	132,000
Indian Troop Service	273,947	266,421	298,777	322,000	88,800	4,000
Other Heads	61,824	107,854	115,919	108,100	144,300	75,600
Clothing Stores	58,676	52,712	92,665	60,000	123,000	98,300
Ordnance and Miscellaneous Stores	340,189	506,097	500,328	693,000	510,200	403,000
Medical Stores	104,612	95,980	94,406	99,900	98,000	90,400
Supply and Transport Stores	51,005	52,879	44,122	57,500	70,500	116,700
Military Farms Stores			11,294	11,000	10,800	13,800
Operations in Persian Gulf (Stores)	50,620	43,848	39,373	50,000	18,600	...
Stores taken to India with Troops	36,825	24,409	17,586	29,100	19,100	18,200
TOTAL £	2,439,364	2,589,430	2,638,876	2,870,600	2,380,800	1,907,100
Non-effective Services—						
Payments to War Office for British Forces	898,331	919,183	927,029	945,000	946,000	650,000
Pensions, Indian Service	1,431,735	1,425,242	1,407,596	1,405,000	1,375,000	1,365,000
Other Heads	174,473	177,263	181,248	182,000	203,000	218,000
TOTAL £	2,504,539	2,521,688	2,515,873	2,532,000	2,524,000	2,233,000
TOTAL ENGLAND £	4,943,903	5,111,118	5,154,749	5,402,600	4,904,800	4,140,100
TOTAL EXPENDITURE £	19,536,546	19,576,526	19,789,239	20,305,800	20,326,200	19,973,700
RECEIPTS.	R	R	R	R	R	R
India R	1,04,91,423	1,33,60,617	1,27,84,798	1,26,11,000	1,19,46,000	1,11,96,000
	£	£	£	£	£	£
Equivalent in sterling £	699,428	890,708	852,320	840,700	796,400	746,400
England £	479,938	337,095	351,186	351,600	355,100	328,700
TOTAL RECEIPTS £	1,179,366	1,227,803	1,203,506	1,192,300	1,151,500	1,075,100
TOTAL NET EXPENDITURE £	18,357,180	18,348,723	18,585,733	19,113,500	19,174,700	18,898,600

Revised, 1915-16, compared with Budget, 1914-15. Expenditure—India.

191. The anticipated Army expenditure in India for the current year is estimated at R23,13·22 lakhs (£15,421,400) or R77·73 lakhs (£518,200) more than the Budget estimate. Foremost among the causes which have contributed to this increase may be mentioned an additional outlay of R27·00 lakhs (£180,000) owing to the recall of officers from furlough and suspension of leave consequent on the war, but against this there is a decrease at Home in furlough allowances of R23·70 lakhs (£158,000). In connection with the war, it has been necessary to incur expenditure on the internal defence of the country and other necessary measures amounting to R37·62 lakhs (£250,800). Food prices were higher throughout the year and the Budget provision on this account is likely to be exceeded to the extent of R8 lakhs (£53,300). A large number of Indian Medical Service and Royal Engineer officers have been withdrawn from Civil employ for military duty, and their ordinary pay charges, amounting to R9·62 lakhs (£64,100), must now be charged to the Army grant. On the other hand, a saving of R10·5 lakhs (£70,000) has accrued by the delay in the return of certain Indian troops to India from the Colonies and the consequent lapse in the Budget provision on their account.

Amongst other variations may be mentioned a charge of R3 lakhs (£20,000) for bounties paid to British soldiers for extension of service, previous to the outbreak of war. The War Office will also contribute a similar sum, the total payments amounting to R6 lakhs (£40,000). Owing to the suspension of the Arms Traffic operations in the Persian Gulf, a saving of R5·53 lakhs (£36,900) has been secured, which has more than covered the extra expenditure amounting to R4 lakhs (£26,700) in connection with the recent disturbances on the North-West Frontier. Some further land has been acquired in connection with the new Cantonment at Delhi at a cost of R1·90 lakhs (£12,700). A large increase of the strength of Volunteer Corps has caused an extra expenditure of R1·50 lakhs (£10,000). Owing to the war, several schools of instruction, *e.g.*, the Staff College, Cavalry School and Flying School, have been temporarily closed; the ordinary inland relief of troops has been curtailed; and charges in India in connection with the Indian troop service have been lower. These three causes account for a decrease of R6·46 lakhs (£43,100).

Home.

192. The gross expenditure under the Army head at Home is expected to fall below the current year's Budget provision of £5,402,600 by £497,800. Owing to the war, it has not been possible to comply fully with the original store demands, and a lapse of £108,900 is anticipated from this cause. The recall of officers from leave has reduced the payments of furlough allowances by £158,000, while the suspension of the Indian troop service, for which a Budget provision of £322,000 was made, results in a decrease of £233,200. The expenditure at Home in connection with the Arms Traffic operations in the Persian Gulf is £28,400 less.

Receipts—India and Home.

193. The total receipts during the current year are somewhat lower than the anticipations of March last. In India there is a decrease of R6·65 lakhs (£44,300) and at Home an increase of £3,500; the former is largely due to the bulk of the present British garrison and units in the field being supplied with clothing in kind instead of obtaining it, as usual, on payment out of clothing allowances received.

Net Expenditure.

194. In the net, therefore, the expenditure during the current year—Home and India—under the head "Army" is expected to exceed the Budget provision of R28,67·03 lakhs (£19,113,500) by R9·18 lakhs (£61,200).

Special Expenditure.

195. The Special or Schedule provision was R95·24 lakhs (£634,900), of which R63·42 lakhs (£422,800) represented expenditure at Home. War conditions have interfered with the supply of stores from Home, and a lapse of R30·55 lakhs (£203,700) is expected. The Indian expenditure is larger than the estimate by R3·18 lakhs (£21,200), in consequence of its having been found necessary to accelerate the augmentation of the Army Bearer Corps and to form an additional Divisional Signalling Company; also to acquire further land for the new cantonment at Delhi, to improve the conditions of service of the Military Assistant Surgeon class, and to meet a moiety

of the cost of bounties given early in the financial year to British soldiers to prolong their service in India. The net result is a lapse of R27·37 lakhs (£182,500).

Budget, 1915-16, compared with Revised, 1914-15. Expenditure—India.

196. For the coming year, the grant for Army expenditure in India amounts to R23,75·05 lakhs (£15,833,600), or R61·83 lakhs (£412,200) more than the Revised estimate of the current year. Broadly stated, this is due to an increased provision of R35 lakhs (£233,300) consequent on the suspension of leave owing to the war, and to the provision of a sum of R45 lakhs (£300,000) to meet the possible wound and family pension charges of Indian combatants and non-combatants. The last mentioned provision is counterbalanced by a corresponding reduction of the Home non-effective payments to the War Office, so that the latter is in reality bearing the charge. The following are other important causes of variation. The outlay on account of military measures necessary for the internal safety of India, and the charge against the Army estimates for the pay of Indian Medical Service and Royal Engineer officers transferred from other Departments for employment on military duty, are likely to exceed the corresponding expenditure in the current year by R13·88 lakhs (£92,500) and R14·68 lakhs (£97,900), respectively. A rise of R7·6 lakhs (£50,700) is expected in respect of food charges. An increase of R5·57 lakhs (£37,100) is due to the fact that, under what is termed the "Friday system of payment", the pay of a 53rd week will fall to be disbursed to British troops in 1915-16. An increase of R2·03 lakhs (£13,500) represents the growing strength of volunteers in India. Finally, the return of certain units lent for Colonial garrison duty increases expenditure next year by R7·27 lakhs (£48,500). On the other hand, changes in the composition of the local garrison and other causes are expected to give a saving of R46 lakhs (£306,700). In view of war conditions, the usual reliefs of troops in India will not take place, and this largely accounts for a lowering of the railway charges by R5·7 lakhs (£38,000). The following three items of expenditure in the current year will not recur in 1915-16, *viz.*, payments of bounty to British soldiers R3 lakhs (£20,000); acquisition of land in connection with the new cantonment at Delhi R1·9 lakhs (£12,700); and Arms Traffic operations R2·37 lakhs (£15,800).

Home.

197. The Home Estimates for 1915-16 amount to £4,140,100, or £764,700 less than the expenditure anticipated during the current year. The reduced scale of Army expenditure at Home is due to the present exceptional conditions. As already stated above, a sum of £300,000 has been deducted (by way of set off against a provision made in India in respect of wound and family pension charges caused by the war) from the payments which it is the practice to make to the War Office in respect of the portion of the retired pay of British forces which has been earned by service in India. The store demands are lower by £90,300, in consequence of a curtailment of special demands. The suspension of the Arms Traffic operations in the Persian Gulf accounts for a reduction of £53,600. The furlough allowances are less by £210,000, and the provision on account of the Indian troop service in 1915-16 is £4,000 only, which implies a reduction of £84,800 as compared with the current year.

Receipts. India and Home.

198. The receipts in 1915-16 are estimated at R161·26 lakhs (£1,075,100), or £76,400 less than those of the current year. This falling off is attributable to war conditions, and more particularly to the fact that the bulk of the present British garrison in India are being supplied with articles of clothing in kind instead of being paid an allowance with which to purchase them.

Net Expenditure.

199. The net Army expenditure for 1915-16 is thus R41·41 lakhs (£276,100) below the Revised estimate of the current year. This is made up of a decrease of £738,300 at Home and an increase of £462,200 in India.

Budget, 1915-16, compared with Budget, 1914-15. India and Home.

200. The total estimated expenditure in 1915-16, *viz.*, R29,96·06 lakhs (£19,973,700) shows a decrease of R49·82 lakhs (£332,100) on the outlay contemplated in the current year's Budget. Excluding the transfer from the Home to the Indian Estimates of £300,000 for non-effective payments, there is a decrease of £962,500 at Home and an increase of £630,400 in India. The large decrease at Home is chiefly in furlough allowances (£368,000), in the stoppage of the Indian troop service (£318,000), the suspension of the Arms Traffic operations (£82,000), and smaller store demands (£199,200). The

increase in India may be ascribed broadly to an extra expenditure of R62 lakhs (£413,300) owing to the recall to duty of all effective officers and the suspension of leave generally; to extra war expenditure of R51·5 lakhs (£343,300) on account of the internal safety of India; to the higher pay charges of Indian Medical Service and Royal Engineer officers transferred from civil to military duty, R24·3 lakhs (£162,000); and to increased food charges, R15·6 lakhs (£104,000). On the other hand, changes in organisation and other special measures give a decrease of R47·00 lakhs (£313,300).

The receipts for the coming year are £117,200 below the current year's Budget, and the net Army expenditure falls below the current year's Budget by £214,900.

Special Expenditure.

201. For the coming year, Special or Schedule expenditure will be reduced to a minimum, the provision made being only R17·53 lakhs (£116,900) against £634,900 in the Budget of 1914-15.

XXXIII and 46-A.—MARINE.

		Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15. Budget.	1914-15. Revised.	1915-16. Budget.
EXPENDITURE.							
India	R	37,61,939	38,36,942	38,35,541	35,22,000	36,06,000	35,23,000
Equivalent in sterling .	£	250,796	255,796	255,703	234,800	240,400	234,900
England . . .	£	199,932	224,132	257,142	270,100	215,300	415,500
Total	£	450,728	479,928	512,845	504,900	455,700	650,400
RECEIPTS.							
India . . .	R	12,73,487	13,15,039	13,43,125	14,07,000	13,38,000	10,23,000
Equivalent in sterling .	£	84,900	87,669	89,542	93,800	89,200	68,200
England . . .	£	...	...	...	...	...	...
Total	£	84,900	87,669	89,542	93,800	89,200	68,200
NET EXPENDITURE	£	365,828	392,259	423,303	411,100	366,500	582,200

Revised, 1914-15, compared with Budget, 1914-15.

202. The total expenditure (India and Home) falls short of the Budget by £49,200 and there is a fall in receipts to the extent of £4,600; the net expenditure is thus £44,600 less than the Budget.

Expenditure, Receipts and Net Expenditure. India and Home.

The increase in Indian expenditure is due chiefly to larger purchases of stores to replenish stocks. Smaller supplies of stores and absence of outlay on special measures—see paragraph 203—account for the lower Home expenditure. The decrease in receipts in India is mainly due to the Royal Indian Marine vessels not being available to take up remunerative transport work as usual.

Special Expenditure.

203. The sum of £43,000 provided in the Budget on account of a new dredger required for the Bombay Dockyard and a new station ship for Rangoon, has lapsed.

Budget, 1915-16, compared with Revised, 1914-15. India and Home.

204. The Budget for 1915-16, as compared with the Revised of 1914-15, shows an increase of £194,700 in expenditure, made up of an increase at Home of £200,200 and a decrease in India of £5,500. The former is mainly accounted for by the provision of £188,600 for the two vessels referred to above and for a new despatch vessel required for duty in the Persian Gulf. The receipts in India are lower by £21,000, as no remunerative employment for Royal Indian Marine transports is anticipated next year.

Special Expenditure.

205. An allotment of £188,600 has been provided in 1915-16 for the new vessels mentioned above.

XXXIV and 47.—MILITARY WORKS.

		Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15. Budget.	1914-15. Revised.	1915-16. Budget.
ORDINARY.							
EXPENDITURE.							
India . . .	R	96,54,399	95,84,652	96,23,778	96,81,000	98,61,000	84,90,000
Equivalent in sterling	£	643,627	638,977	641,585	645,400	657,400	566,000
England . . .	£	22,120	24,162	31,225	17,400	30,400	14,000
TOTAL	£	665,747	663,139	672,810	662,800	687,800	580,000
RECEIPTS.							
India	R	11,81,866	10,82,428	11,49,059	12,00,000	11,25,000	11,55,000
Equivalent in sterling	£	78,791	72,162	76,604	80,000	75,000	77,000
England . . .	£	...	...	...	...	...	...
TOTAL	£	78,791	72,162	76,604	80,000	75,000	77,000
Net expenditure, Ordinary	£	586,956	590,977	596,206	582,800	612,800	503,000
SPECIAL DEMANDS.							
EXPENDITURE.							
India	R	34,31,705	32,24,856	39,60,330	52,95,000	48,00,000	24,05,000
Equivalent in sterling	£	228,780	214,990	264,022	353,000	320,000	160,300
England . . .	£	15,130	9,250	10,465	6,600	9,200	4,000
TOTAL	£	243,910	224,240	274,487	359,600	329,200	164,300
TOTAL NET EXPENDITURE	£	830,866	815,217	870,693	942,400	942,000	667,300

206. Under this head the Ordinary expenditure, and the expenditure on Military Works Schedule (Special Demands) measures, are separately compiled in the ordinary course of accounting. Under Ordinary expenditure, the Revised anticipates an excess of £25,000, which is entirely due to expenditure in connection with the special provision of mess houses, officers' quarters, furniture, etc. The bulk of this outlay will eventually yield some return in the shape of rent.

Revised, 1914-15, compared with Budget, 1914-15, India and Home, Ordinary Expenditure.

Receipts.

207. The Military Works receipts represent the rents derived from military quarters and mess houses, recoveries for water supply and electrical power, the sale proceeds of stores, and the rental and repair recoveries from silladar cavalry units whose lines have been taken over by the Military Works Services. The slight decrease is mainly due to anticipated lower rental recoveries.

Special Demands, expenditure.

208. Under Special Demands, there is a decrease of ₹4·56 lakhs (£30,400), due mainly to the transfer of ₹1·90 lakhs to the Army head to complete the purchase of the site of the new cantonment at Delhi, and a lapse of ₹·88 lakhs on account of the Flying School which has been temporarily closed.

Net Expenditure. Total.

209. On Military Works expenditure as a whole, a net decrease of only £400 is expected.

Budget, 1915-16, compared with Budget, 1914-15.

210. The Ordinary Military Works grant for 1915-16 has been fixed at ₹87·00 lakhs (£580,000), as compared with ₹99·42 lakhs (£662,800) in the current year. It has been restricted to the lowest possible extent in consequence of existing conditions.

India and Home. Ordinary Expenditure.

Receipts.

211. Lower rental recoveries are expected in 1915-16, in view of the abnormal conditions prevailing, and the receipts therefrom are estimated at ₹11·55 lakhs (£77,000), or ₹0·45 lakhs (£3,000) less than those originally anticipated in the current year.

Special Demands, expenditure.

212. The allotment made for Special Demands amounts to ₹24·65 lakhs (£164,300), or ₹29·29 lakhs (£195,300) less than in 1914-15. The decrease is due to existing conditions having rendered it necessary to confine expenditure in 1915-16 to works in progress. The main allotments are ₹9·67 lakhs for works in the new cantonment at Delhi, ₹6·11 lakhs for the reconstruction of Indian troops' and followers' lines, and ₹ one lakh each for the Indian Infantry lines at Aden and new Cavalry lines at Lucknow.

Net Expenditure. Total.

213. The total net expenditure of ₹1,00·1 lakhs (£667,300) proposed in 1915-16 is less than the Budget provision of 1914-15 by ₹41·26 lakhs (£275,100).

47A.—SPECIAL DEFENCES.

		Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		1915-1916. Budget.
					Budget.	Revised.	
EXPENDITURE.							
India	₹	40,570	88,287	1,07,225	2,67,000	1,57,000	2,18,000
Equivalent in Sterling .	£	2,705	5,886	7,148	17,800	10,500	14,600
England . . .	£	2,001	3,381	9,236	15,200	13,000	6,500
Total .	£	4,706	9,267	16,384	33,000	23,500	21,100

Revised, 1914-15.

214. The Revised shows a decrease of £9,500 owing to less expenditure being anticipated on stores and works.

Budget, 1915-16.

The allotment for next year amounts to ₹3·16 lakhs (£21,100), and includes ₹·98 lakh (£6,500) carried forward by the Secretary of State on account of store demands on hand.

These charges are treated as wholly Special.

MILITARY SERVICES : SUMMARY.

		Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		1915-1916, Budget.
					Budget.	Revised.	
EXPENDITURE—							
India . .	₹	23,57,78,260	23,37,15,857	23,70,44,219	24,23,14,000	24,97,46,000	25,21,41,000
Equivalent in Sterling .	£	15,718,551	15,581,057	15,802,948	16,154,200	16,649,700	16,809,400
England .	£	5,183,086	5,372,043	5,462,817	5,711,900	5,172,700	4,580,100
Total Expenditure	£	20,901,637	20,953,100	21,265,765	21,866,100	21,822,400	21,389,500
RECEIPTS—							
India . .	₹	1,29,46,776	1,57,58,084	1,52,76,982	1,52,18,000	1,44,09,000	1,33,74,000
Equivalent in Sterling .	£	863,119	1,050,539	1,018,466	1,014,500	960,600	891,600
England .	£	479,938	337,095	351,186	351,600	355,100	328,700
Total Receipts .	£	1,343,057	1,387,634	1,369,652	1,366,100	1,315,700	1,220,300
NET EXPENDITURE	£	19,558,580	19,565,466	19,896,113	20,500,000	20,506,700	20,169,200

215. The total net military expenditure during the current year is expected to exceed the original Budget provision by £16,700 only. But though the intended total outlay has been closely approached, many causes have operated to disturb the details of the original programme. War conditions have required the presence at duty of the full establishments and leave has been suspended. The progress of expenditure in certain directions has been impeded, while the war has entailed extra expenditure in connection with the internal safety of the country. Food charges have risen; the expenditure on the Indian troop service during the current year has been considerably reduced; and the Arms Traffic operations have also been suspended.

Finally, the special or schedule expenditure, for which the Budget allotted £1,070,500, has been restricted to £805,100.

216. The Budget estimate for 1915-16 assumes that war conditions will continue to be operative thoughout the year, and expenditure will accordingly be restricted to the minimum necessary for efficiency. The total grant for military services has thus been fixed at £20·17 million net, or about £$\frac{1}{3}$ million less than the Budget provision of the current year; and the allotment for Special expenditure has similarly been taken at the reduced figure of £490,900.

217. Both the Revised Estimate of the current year and the Budget of 1915-16, provide for the full ordinary maintenance cost of the troops, etc., employed with the Overseas Indian Expeditionary Forces as, in accordance with the Resolutions in both Houses of Parliament, Indian revenues will continue to bear the ordinary pay and other charges of the absent troops, etc. It is estimated that India's contribution on this account during 1914-15 will amount to £1·9 million and in 1915-16 to £4·8 million. Over and above this contribution from Indian revenues, the ordinary cost of the Imperial Service Troops employed with the Overseas Forces will be met by the Native States concerned. His Highness the Nizam of Hyderabad has also generously contributed £400,000 and His Highness the Maharaja of Mysore £333,000 towards the general expenses of the war ; and similar loyal contributions, aggregating £40,000, have been offered by other Indian Princes.

TRANSFERS BETWEEN IMPERIAL AND PROVINCIAL.

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15.		Budget, 1915-16.
				Budget.	Revised.	
Transfers from Imperial to Provincial—						
1. Recurring assignments under the terms of the Provincial Settlements, including permanent additions subsequently made to them, with the exception of special recurring grants for Education and Sanitation	5,44,000	16,09,000	1,06,32,000	1,13,06,000	1,18,87,000	1,37,51,000
2. Special recurring grants for—						
(*i*) Education	...	55,96,000	1,05,38,000	1,13,45,000	1,14,29,000	1,14,46,000
(*ii*) Sanitation	...	...	36,50,000	36,70,000	36,70,000	36,70,000
3. Assignments in connection with the scheme for the incidence of famine relief expenditure (*vide* paragraph 54 of Financial Statement for 1907-1908) . . .	37,50,000	37,50,000	37,50,000	29,12,000	29,26,000	24,70,000
4. Non-recurring grants—						
(*i*) Under the terms of the Provincial settlements . .	6,94,000	4,90,000	15,33,000	8,21,000	2,61,000	...
(*ii*) For Education . . .	...	3,81,70,000	8,000	9,000	11,87,000	1,51,000
(*iii*) For Sanitation . . .	50,00,000	1,50,00,000	1,00,000	...	5,50,000	...
(*iv*) For medical relief, agriculture and allied objects . .	35,00,000	...	25,35,000	...	...	...
(*v*) For public works expenditure and discretionary outlay .	22,00,000	1,50,00,000	...	15,00,000	15,00,000	...
(*vi*) Other items . . .	2,18,30,000	14,44,000	53,00,000	29,35,000	39,66,000	27,89,000
Total Transfers .	3,75,18,000	8,10,59,000	3,80,46,000	3,44,98,000	3,73,76,000	3,42,77,000

(*a*) *Recurring assignments excluding special grants for Education and Sanitation.*

Revised, 1914-15.

218. The increase of ₹5·81 lakhs in the Revised estimate over the Budget of the current year is mainly due to the following three items:—

	Lakhs of Rupees.
(1) Recurring assignment to the Punjab in exchange for the surrender by it of ₹100 lakhs of its Provincial balance .	3·50
(2) Contribution from Imperial to Provincial Revenues in the various provinces, owing to the transfer to the Provincial section of the salaries of officers of the Imperial Civil Veterinary Department which were hitherto debited in the Imperial section of the accounts	3·34
(3) Reduction in compensatory assignment to Madras, in connection with the remission of the village service cess in proprietary estates, due to slower progress in the resumption of *inam* lands of village servants	—·76
TOTAL .	6·08

219. The Budget estimate for 1915-16 exceeds the Revised by R18·64 lakhs. The bulk of this increase is due to an assignment of R15·11 lakhs in aid of Provincial resources in Burma, the balance being made up as follows:— *Budget, 1915-16.*

	Lakhs of Rupees.
(1) Increase in the Punjab Government's share of the sale proceeds of sites for shops and residences in certain towns in the Punjab. (These receipts are credited in the Imperial section of the accounts, but the Local Government is entitled to a moiety)	1·98
(2) Increase in compensatory assignment to Madras in connection with the remission of the village service cess in proprietary estates, due to progress in the resumption of *inam* lands of village servants	1·59
(3) Petty adjustments of a recurring nature	—·05
Total .	3·53

(b) Special recurring grants for Education.

220. The variations between the Budget and the Revised estimates for the current year, and between the latter and the Budget estimate for 1915-16, are due to the allotment of small sums, for recurring outlay on specific items of Provincial expenditure, from the undistributed balance of the recurring appropriation of R124 lakhs made from Imperial revenues in recent years for the improvement of education (see paragraphs 97 and 98).

(c) Assignments in connection with the scheme for the incidence of Famine Relief expenditure.

221. The variations in the amount of assignments for the famine insurance of Provincial Governments provided in the estimates for 1914-15 and 1915-16 arise from the circumstances mentioned below. Under the scheme for the incidence of famine relief expenditure introduced in 1907, the details of which were explained in paragraphs 48 to 57 of the Financial Statement for 1907-08, certain annual assignments are made to Provincial Governments, and the latter use the funds so placed at their disposal to build up a reserve of credit with the Imperial Government which can be utilised when necessary to meet famine relief expenditure. To avoid the possible accumulation of an unnecessarily high credit, it was decided (1) to fix a maximum limit to the reserve of each province, and (2) when that limit was reached in any province, to discontinue the annual assignment until the credit had been reduced by expenditure on famine relief. The limit for the Central Provinces was fixed at R80 lakhs; and it is estimated that this figure will be reached in 1914-15 with an assignment of R4·56 lakhs, instead of R4·42 lakhs as anticipated in the Budget estimate for the current year, and that in 1915-16 the assignment to the province on this account will be *nil.*

(d) Non-recurring grants under the terms of the Provincial Settlements.

222. The Budget estimate for the current year provides for an assignment of R8·21 lakhs to the United Provinces to bring the Provincial share of divisible Land Revenue up to the amount (*viz.*, R240 lakhs) guaranteed in the settlement. Owing to an improvement in the Land Revenue collections in the province, the amount of such assignment is now estimated at R2·61 lakhs only.

(e) Non-recurring assignments for Education.

223. The following are the details of the non-recurring grants given in the two years for expenditure in aid of education:—

	Lakhs of rupees. 1914-15.	1915-16.
(1) Additional grant to the Calcutta University for hostels	10·00	...
(2) Additional grant to the Dacca University . .	1·00	1·00
(3) Grant to the Islamia College, Lahore, for the equipment and maintenance of science laboratories . .	·26	·30
(4) Other petty items	·61	·21
Total .	11·87	1·51

A sum of R10 lakhs has been made over to the Government of Bengal in the current year for payment to the Calcutta University of the grant for the construction of hostels which was recently announced by His Excellency the Viceroy. The remaining contributions entered above have been given from the undistributed balance of the recurring appropriation of R124 lakhs made from Imperial revenues in recent years for Educational expenditure.

(*f*) *Non-recurring grants for Sanitation.*

224. The following allotments have been made during the current year from the undistributed balance of the special recurring appropriation of R51 lakhs made from Imperial revenues in recent years for the improvement of sanitation :—

	Lakhs of Rupees.
(1) To the Punjab, for a grant to the Simla Municipal Committee for the improvement and extension of the sewage system .	3·30
(2) To the United Provinces, for sanitary improvement of the pilgrim route to Badrinath and Kedarnath . . .	1·00
(3) To the United Provinces, for the establishment of an experimental sullage farm at Lucknow	1·00
(4) To Bombay, for a grant to the Bombay Sanitary Association .	·20
TOTAL .	5·50

(*g*) *Miscellaneous non-recurring grants.*

225. The following are the details of the miscellaneous non-recurring grants which will be given in the two years :—

	Lakhs of rupees.	
	1914-15.	1915-16.
(1) Contribution to meet provincial expenditure in Burma and Assam in connection with the North-East Frontier	27·47	28·52
(2) Assignment to Madras in respect of the balance outstanding at the credit of village service funds in the proprietary estates at the time of their abolition	7·32	...
(3) Grant to the United Provinces for tank restoration works, out of the special provision made in the Imperial Budget under Minor Irrigation Works for the improvement of irrigation . . .	1·53	...
(4) Contribution to the Punjab in aid of outlay on buildings required by it in consequence of the creation of the Delhi Province . . .	1·26	...
(5) Yearly instalments of the contribution to the Calcutta Improvement Trust for a period of 60 years .	1·50	1·50
(6) Grant for five years to the Chittagong Port in aid of dredging and revetment operations . .	·75	·75
(7) Miscellaneous adjustments, representing mainly refund of expenditure undertaken on behalf of the Imperial Government or of Provincial revenue erroneously credited as Imperial .	—·17	—2·88
Total .	39·66	27·89

CAPITAL EXPENDITURE ON RAILWAYS AND IRRIGATION AND OTHER WORKS NOT CHARGED TO REVENUE.

RAILWAY CONSTRUCTION.

226. In the Budget for 1914-15, a sum of ₹18 crores was allotted for expenditure on the railway construction for which the Government of India undertake financial responsibility. During the course of the year the grant was reduced by ₹20·94 lakhs with reference to the excess over the allotment of the previous year and a further lapse of ₹46·86 lakhs is now anticipated, making the probable expenditure of the year ₹17,32·20 lakhs. For 1915-16 a grant of ₹12 crores has been provided, of which ₹4,45·62 lakhs have been allotted specifically for the supply of rolling stock.

227. The distribution of the total expenditure on Railway Construction between State and Companies' agency in each of the three years from 1913-14 to 1915-16 is as follows:—

		1913-1914. Accounts.	1914-1915. Budget.	1914-1915. Revised.	1915-1916. Budget.
1. Outlay on State Lines:					
(*a*) India	₹	11,22,69,200	11,74,69,000	12,17,49,000	9,28,13,000
	£	7,484,613	7,831,300	8,116,600	6,187,500
(*b*) England	£	2,998,587	2,641,400	2,434,100	1,450,200
TOTAL	£	10,483,200	10,472,700	10,550,700	7,637,700
2. Outlay of Companies:					
(*a*) India	₹	5,33,315	2,27,000	—80,33,000	—1,27,22,000
	£	35,553	15,100	—535,500	—848,100
(*b*) England	£	1,787,480	1,512,200	1,532,800	1,210,400
TOTAL	£	1,823,033	1,527,300	997,300	362,300
Total of Programme	£	12,306,233	12,000,000	11,548,000	8,000,000

The following outlay in England on account of purchased lines worked by companies is included in the Indian figures under outlay on State lines:—

£4,956,669 4,697,300 4,571,600 3,031,300

22. The details of the Budget grant for 1915-16 are shown below :—

[Lakhs of rupees.

	Open Line.			Construction of	
	Rolling Stock.	Other items.	Total.	Lines in progress.	New lines.
I.—Outlay on State Railways :—					
1. Assam-Bengal :—					
(i) Open line	14·08	6·92	21·00	...	...
(ii) Bhairab Bazar-Tangi	...	10·50	10·50	...	...
(iii) Kalaura-Sylhet	...	...	...	1·30	...
2. Bengal Nagpur :—					
(i) Main line	40·91	57·75	98·66	...	...
(ii) Lokaro-Ramgurh	...	...	...	·93	...
(iii) Vishnupur Santragachi	...	...	...	...	15·00
3. Bezwada Extension	...	·02	·02	...	...
4. Bombay, Baroda and Central India :—					
(i) Main line	14·20	103·80	118·00	...	...
(ii) Dholka-Dhanduka	...	...	...	...	5·00
5. Burma Extensions :—					
(i) Open line	·05	·50	·55	...	...
(ii) Southern Shan States	...	...	...	...	15·00
6. Dhone-Kurnool	...	·05	·05	...	...
7. East Indian :—					
(i) Open line	69·10	34·40	103·50	...	...
(ii) Bokaro-Ramgarh	...	...	...	·93	...
(iii) Burdwan-Howrah	...	...	...	23·50	...
8. Eastern Bengal System :—					
Open line	54·30	69·24	123·54	...	...
9. Great Indian Peninsula System :—					
(i) Main line	85·48	204·67	290·15	...	...
(ii) Itarsi-Nagpur, etc.	...	...	...	50·00	...
(iii) Agra-Delhi Chord	·03	·05	·08	...	...
(iv) Bhopal	...	·19	·19	...	...
(v) Harbour Branch Extension	...	...	...	19·00	...
(vi) Cawnpur-Banda	...	2·15	2·15	...	...
10. Jodhpur-Hyderabad (British Section)	...	·43	·43	...	...
11. Lower Ganges Bridge	...	2·00	2·00	...	...
12. North Western :—					
(i) Main line	92·83	43·17	136·00	...	...
(ii) Railway facilities at Delhi	...	2·00	2·00	...	...
(iii) Rahoki-Mirpurkhas conversion	...	7·00	7·00	...	...
(iv) Laki-Pezu Tank	...	...	...	7·70	...
13. Oudh and Rohilkhand :—					
Main line	21·02	·86	21·88	...	...
14. South Indian System—					
(i) Main line	15·74	15·66	31·40	...	...
(ii) Coonoor-Ootacamund	·18	...	·18	...	...
(iii) Tinnevelly-Quilon—British Section	·25	·01	·26	...	...
(iv) Do. Native State Section	·29	·05	·34	...	...
15. Tirhoot and extensions :—					
(i) Open line	—·40	1·20	·80	...	...
(ii) Roserah-Khagaria	...	...	...	1·00	...
16. Reserve	...	20·62	20·62	...	15·00
	408·06	583·24	991·30	104·36	50·00
II.—Outlay of Indian Railway Companies :—					
1. Burma	8·52	11·27	19·79	...	...
2. Lucknow-Bareilly	...	.62	·62	...	...
3. Madras and Southern Mahratta :—					
(i) Open line	29·04	·89	29·93	...	...
(ii) Guntur-Tenali	...	...	...	4·00	...
	37·56	12·78	50·34	4·00	...

By far the greater portion of the programme grant for 1915-16 will, as hitherto, be devoted to the improvement of open lines of railway.

229. The figures in the table in paragraph 227 do not include the expenditure on Protective Railways met from the Famine Insurance grant, nor that on Branch Line Companies. Including this expenditure and also some small expenditure from Provincial revenues, the total expected outlay on railway construction in the three years ending 1915-16 is as follows :—

	Accounts, 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
	R	R	R
Total as in preceding table . . .	18,45,93,516	17,32,20,000	12,00,00,000
Famine Protective lines	1,28,642	—22,000	...
Branch lines	26,89,042	72,73,000	48,21,000
Provincial State line	21,213	24,000	20,000
Grand Total in Rupees .	18,74,32,413	18,04,95,000	12,48,41,000
Grand Total in sterling at R15 to the £ .	12,495,494	12,033,000	8,322,700

CONSTRUCTION OF PRODUCTIVE IRRIGATION WORKS.

230. The figures are—

	Accounts, 1913-14.	Budget, 1914-15.	Revised, 1914-15.	Budget, 1915-16.
Total in Rupees . . .	1,92,33,925	1,80,00,000	1,74,46,000	1,65,00,000
Equivalent in Sterling . .	1,282,262	1,200,000	1,163,100	1,100,000

Revised, 1914-15. 231. The expenditure in 1914-15 will fall short of the Budget grant by R5·54 lakhs, owing mainly to a partial utilisation of the reserve for unforeseen requirements. *Budget, 1915-16.* The Budget grant for 1915-16 has been fixed at R165 lakhs, the decrease as compared with the outlay in the current year being mainly due to a reduction in the requirements of the Triple Canal Project in the Punjab which is nearing completion.

232. The following table shows the distribution of the expenditure in 1914-15 and of the grant for 1915-16 :—

Name of Project.	Expenditure in 1914-15.	Expenditure in 1915-16
	R	R
Works in operation—		
Mandalay Canal	3,53,000	1,70,000
Mon Canals	78,000	1,30,000
Ganges Canal, including Mat and Hathras branches and permanent head works . .	9,06,000	9,72,000
Agra Canal	1,15,000	77,000
Western Jumna Canal	75,000	3,00,000
Upper Bari Doab „	6,20,000	5,50,000
Sirhind Canal	4,50,000	3,48,000
Lower Chenab Canal	4,50,000	5,00,000
Lower Jhelum „	50,000	1,00,000
Godavari Delta System	82,000	1,66,000
Kistna „ „	1,14,000	68,000
Cauvery „ „	81,000	87,000
Periyar System	53,000	29,000
Kurnool-Cuddapah Canal	45,000	64,000
Dad Canal	75,000	10,000
Eastern Nara Works	4,000	1,85,000
Begari Canal	93,000	84,000
Other Projects	3,50,000	2,70,000
Works under construction—		
Asola Mendha Tank works	1,22,000	1,33,000
Weinganga Canal	9,33,000	9,95,000
Mahanadi „	15,08,000	18,12,000
Ye-u Canal	6,11,000	6,37,000
Twante Canal	7,52,000	8,00,000
Gorai Canal	2,26,000	2,12,000
Upper Chenab Canal	16,44,000	13,50,000
Upper Jhelum „	32,50,000	21,00,000
Lower Bari Doab Canal	14,51,000	11,28,000
Upper Swat River Canal	26,45,000	13,90,000
Toludur Project	3,10,000	6,57,000
Seharwah Project	...	1,23,000
Reserve	...	10,53,000
TOTAL R .	1,74,46,000	1,65,00,000
Equivalent in Sterling £ .	1,163,100	1,100,000

Of the total grant of R165 lakhs, about R121 lakhs will be allotted to canals under construction; and the balance (*viz.*, about R44 lakhs) will be devoted to the completion and development of canals in operation.

INITIAL OUTLAY ON THE NEW CAPITAL AT DELHI.

233. The figures are:—

		Accounts, 1913-14.	Budget, 1914-15.	Revised, 1914-15.	Budget. 1915-16.
Total in Rupees . . .		67,06,999	1,00,00,000	54,51,000	40,00,000
Equivalent in sterling . .	£	447,134	666,700	363,400	266,700

234. The expenditure in the current year is now expected to amount to ₹54·51 lakhs made up as follows:— *Revised, 1914-15.*

	[Lakhs of Rupees.]
(*i*) Works Expenditure	45·00
(*ii*) Acquisition of land	1·68
(*iii*) Establishment and miscellaneous charges	7·83
TOTAL . . .	54·51

Of the works expenditure, about ₹14 lakhs will be spent on the preparation of sites, the laying out of service roads, the provision of a temporary supply of water and of electric power, and other preliminary work; ₹19 lakhs on the purchase of tools and plant and other stores; and ₹10 lakhs on work on the Secretariat, and the construction of certain residential buildings and roads. *Budget, 1915-16.*

235. The provisional distribution of the Budget estimate of ₹40 lakhs is given below:—

	[Lakhs of Rupees.]
(*i*) Works Expenditure	28·50
(*ii*) Acquisition of land	1·23
(*iii*) Establishment charges and other miscellaneous expenditure	10·27
	40·00

Of the grant of ₹28·50 lakhs for works outlay, about one-fourth will be required for the preparation of sites and other preliminary work and for the further purchase of tools, plant, and other stores. The balance will be applied mainly to the construction of roads and buildings, work on which has been commenced during the current year.

WAYS AND MEANS.

HOME TREASURY.

Introductory.

236. The bulk of the payments made in England on account of the Government of India consist of expenditure chargeable to the Indian revenues; and if such payments represented the only transactions, the Ways and Means programme would be a simple arrangement, as the whole of the expenditure would ordinarily be met by remittance of funds from India. The capital outlay on the construction of railways and irrigation works, however, necessitates heavy borrowing; and when practicable, a large portion of the money required is raised in England, either direct or through the agency of Companies. A further complication is introduced by the practice under which all payments made in England to Railway Companies working purchased lines, for purchase of stores and other capital purposes, as well as all moneys raised by them and paid into the Home Treasury, are brought to account under the appropriate heads in this country and are treated in the Home accounts and estimates as remittances to or from India respectively. Operations connected with the Gold Standard Reserve, and with the replacement of one particular form or item of direct or indirect debt by another, also largely swell the receipts and charges of the Home Treasury without affecting the general Ways and Means programme.

237. The following are the details of the transactions appearing in the Budget and Revised estimates of the Home Treasury for 1914-15 and in the Budget estimate of 1915-16.

	Budget, 1914-1915.	Revised, 1914-1915.	Budget, 1915-1916.
RECEIPTS.	£	£	£
Temporary debt renewed	...	...	7,000,000
Capital raised and deposited by Railway Companies—			
For Capital outlay	552,400	1,576,700	2,400
*For discharge of debentures	2,630,900	...	1,996,600
Deposits and Advances—			
Gold Standard Reserve	8,812,200	10,021,200	7,963,500
*War transactions: Recoveries from War Office	...	762,000	1,089,000
Other items	54,500	213,400	5,700
Remittance Account between England and India—			
Railway transactions (capital)	1,250,000	2,325,200	7,010,000
Ditto (capital advance)	6,600	33,300	6,500
Gold withdrawn from Paper Currency Reserve	...	1,000,000	...
Gold received from India	...	604,800	...
War transactions: Recoveries from War Office	...	9,373,000	9,086,000
Other transactions	1,561,700	1,243,500	1,269,000
Total Receipts, excluding Council Bills and Loans	14,868,300	27,153,100	35,428,700
DISBURSEMENTS.			
Excess of Expenditure over Revenue	20,031,000	19,680,700	18,764,900
Capital Expenditure not charged to Revenue—			
Outlay on State Railways, Irrigation Works and Delhi	2,790,400	2,552,000	1,572,700
Outlay of Railway Companies	1,514,600	1,552,200	1,212,800
*Payments to Railway Companies for discharge of debentures	2,630,900	...	1,996,600
Permanent Debt discharged	500,000	500,000	907,500
Temporary Debt discharged	...	...	7,000,000
Deposits and Advances—			
Gold Standard Reserve	8,809,400	10,038,000	7,967,500
*War transactions	...	762,000	1,089,000
Other transactions	16,300	254,500	2,000
Remittance Account between England and India—			
Railway transactions (capital)	500,000	...	510,000
Ditto (capital advance and revenue)	4,750,900	4,651,200	3,085,100
War transactions	...	570,000	823,000
Other transactions	520,300	1,030,100	1,200,700
Total Disbursements	42,063,800	41,590,700	46,131,800
NET DISBURSEMENTS	27,195,500	14,437,600	10,703,100
Financed as follows—			
Council Bills	20,000,000	6,900,000	7,100,000
Permanent Debt incurred	4,635,000	...	...
Temporary Debt incurred	...	7,000,000	...
Reduction of cash balance	2,560,500	537,600	3,603,100
Total	27,195,500	14,437,600	10,703,100
Opening Balance	7,457,000	8,157,700	7,620,100
Closing Balance	4,896,500	7,620,100	4,017,000

* The heads marked with an asterisk appear on both the receipt and payment sides. As the receipt and disbursement under each of them are generally equal, they do not affect the Ways and Means of the year to any material extent.

Revised, 1914-15.

General Result.

238. The outstanding feature of the current year is the reduction by £13·1 million of the amount expected from the sale of Council Bills, the demand for which has been very slack during the greater part of the year in consequence of the dislocation of India's export trade. The total drawings of the Secretary of State in 1914-15 are now estimated at £7·5 million, of which £·6 million will be appropriated as a remittance of the Gold Standard Reserve, and £6·9 million will be available to meet the disbursements of the Home Treasury against a Budget estimate of £20 million. The resultant shortage of funds for treasury requirements in England will, however, be more than counterbalanced by (1) an improvement of £700,700 in the opening balance of the year, mainly owing to higher receipts from Council Bills, and to smaller payments for military and other stores in 1913-14 than had been allowed for in the Revised estimate for that year; (2) a large receipt of £8,803,000 from the War Office in respect of recoverable outlay incurred on behalf of the Imperial Government in India in connection with the European war; (3) an increase of £2,365,000 in the receipts from Debt incurred in England and of £2,582,500 in the net deposits of capital by Railway Companies including those working purchased lines; (4) a withdrawal of £1 million from gold held on account of the Paper Currency Reserve in England against a corresponding payment made to the Reserve in India; (5) a receipt of £604,800 in respect of gold sent from India to Egypt and France; and (6) a decrease of £350,300 in the net expenditure chargeable to Revenue, and of £344,200 in the capital expenditure on railways, irrigation works, etc., inclusive of the net outlay of the various companies. On the other hand, a fall of £828,000 is anticipated in the net miscellaneous receipts which are treated in the Home accounts as remittances from India, caused chiefly by a decrease in the receipts for money orders issued in the Colonies and a larger demand for stores on the part of Provincial Governments in India; and allowing for a small deterioration of £98,900 in the net result of the Deposit and Advance transactions shown in the table on the preceding page, the cash balance in the Home Treasury at the end of 1914-15 will stand at £7,620,100, *i.e.*, £2,723,600 above the Budget estimate.

1914-15 Capital raised and deposited by Railway Companies.

239. The details of the transactions in respect of capital raised and deposited by Railway Companies are as follows :—

	Budget, 1914-15.	Revised, 1914-15.
RECEIPTS.		
(*a*) *Subscribed Capital*—		
(*i*) To discharge Debentures—	£	£
Assam-Bengal Railway	780,900	...
Bengal-Nagpur Railway	1,750,000	...
Madras and Southern Mahratta Railway	100,000	...
(*ii*) To meet Capital outlay—		
Bengal-Nagpur Railway	550,000	1,557,300
	3,180,900	1,557,300
(*b*) *Miscellaneous*—		
Transfer fees, etc.	2,400	19,400
TOTAL RECEIPTS	3,183,300	1,576,700
ISSUES.	£	£
For discharge of Debentures	2,630,900	...
For Capital outlay, *i.e.*, Stores, Establishment Charges, etc.	1,514,600	1,552,200
TOTAL	4,145,500	1,552,200

The Budget estimate provided for the replacement by fresh capital of £2,630,900 debentures of the Assam-Bengal, Bengal-Nagpur, and Madras and Southern Mahratta Railway Companies; and for a receipt of £550,000 in respect of the debenture stock of the nominal value of £2 million issued by the Bengal-Nagpur Company in January 1914. The actual receipt on this

account has exceeded the estimate by £8,600, and a further sum of £998,700 has been received from an issue of £1 million of new debentures by the same Company which was not contemplated in the Budget programme. On the other hand, it has not been found practicable to replace any of the debentures, though all of them have been renewed.

1914-15.

Railway remittances.

240. The following are the details of the Railway remittance transactions. As already explained, they occur almost wholly in connection with the capital account of the purchased lines worked by companies :—

	Budget, 1914-15.	Revised, 1914-15.
	£	£
RECEIPTS.		
Debenture Capital—		
South Indian Railway	1,250,000	2,295,200
Repayment of Capital Advances—		
Bombay, Baroda and Central India Railway .	...	30,000
Miscellaneous—		
Transfer fees, etc.	6,600	33,300
TOTAL . . .	1,256,600	2,358,500
ISSUES.		
Advances for purchase of stores—		
East Indian Railway	1,864,700	2,100,000
South Indian Railway	629,500	325,000
Bengal and North-Western Railway . . .	55,100	69,000
Great Indian Peninsula Railway . . .	1,616,900	1,630,900
Bombay, Baroda and Central India Railway (including Rajputana-Malwa Railway) .	537,700	480,000
TOTAL .	4,703,900	4,604,900
Discharge of Debentures—		
South Indian Railway	500,000	...
Miscellaneous payments—		
East Indian Railway: rental paid to South Behar Railway Company	30,000	30,000
Rohilkhand and Kumaon Railway: Interest on Debenture Stock allocated to State works .	17,000	16,300
TOTAL ISSUES .	5,250,900	4,651,200

241. The Budget estimate provided for the replacement by fresh Capital of £500,000 debentures of the South Indian Railway Company, and for the issue of £750,000 new Capital by the same company. New 4 per cent. Debenture stock of the face value of £2,318,200 has been issued by the company, producing the amount shown above, and the debentures which matured during the year have been renewed. A sum of £30,000 will also be received from the Bombay, Baroda and Central India Railway Company in repayment of an advance made to it by the Secretary of State.

Loans, 1914-15.

242. The Budget programme contemplated the issue of new India stock of the nominal value of £5 million, which was expected to produce £4·635 million. No new issue of India stock has been made during the year ; but £7 million India bills have been issued, *viz* :—

(1) £2 million in September with a currency of 12 months at an average rate of £95-18-11·41 ;

(2) £2½ million in November with a currency of 12 months at an average rate of £95-16-8·85 ;

(3) £2½ million in November with a currency of 6 months at an average rate of £96·3-6·33.

£500,000 India bonds were redeemed during the year, as provided in the Budget estimate.

243. The Budget estimate provides for a net disbursement of £10,703,100. The decrease of £3,734,500 below the net disbursement in the current year's Revised is the net result of the following variations :— *1915-16. The Budget Estimate.*

Worse.

	£
Permanent Debt discharged, *more*	407,500
Deposits, Advances and Miscellaneous Remittance transactions, *net*	87,500
Receipt from the War Office in respect of recoverable outlay incurred in India in connection with the war, *less*	540,000
Gold withdrawn from Paper Currency Reserve, *less*	1,000,000
Gold received from India, *less*	604,800
Outlay on new Capital at Delhi, *more*	25,600

Better.

	£
Net expenditure on Revenue account, *less*	915,800
Net payments to Railway Companies, *less*	4,479,200
Outlay on State Railways, *less*	983,900
Outlay on Irrigation Works, *less*	21,000

244. The details working up to the decrease of £4,479,200 in the net payments to Railway Companies shown in the preceding paragraph are given below :—

	Revised, 1914-15.	Budget, 1915-16.
	£	£
RECEIPTS—		
Capital deposits by Railway Companies—		
For capital outlay	1,576,700	2,400
For discharge of debentures	...	1,996,600
Remittance account between England and India—		
Railway transactions	2,358,500	7,016,500
Total receipts	3,935,200	9,015,500
DISBURSEMENTS—		
Railway and Irrigation capital not charged to Revenue—		
Outlay of Railway Companies	1,552,200	1,212,800
Payments for discharge of debentures	...	1,996,600
Remittance account between England and India—		
Railway transactions	4,651,200	3,595,100
Total disbursements	6,203,400	6,804,500
NET DISBURSEMENTS	2,268,200	—2,211,000
Decrease		4,479,200

245. Provision has been made in the Budget for the discharge of £500,000 India Bonds and £407,500 Indian Midland Railway Debentures which mature during the year. On the discharge of the latter, all the Indian Midland Railway Debentures will have been paid off. The Budget estimate also provides for the replacement of all the India Bills issued during 1914-15. *Loans, 1915-16.*

246. Of the net disbursement of £10,703,100 in 1915-16, it is proposed to meet £7,100,000 by Council Bills and £3,603,100 by drawing on the cash balances of the Home Treasury, which are estimated to stand on the 31st March 1916 at £4,017,000 inclusive of £4,200 held on behalf of the Gold Standard Reserve.

1914-15 and 1915-16 Gold Standard Reserve.

247. The following are the details of the transactions of the Gold Standard Reserve in England :—

	1914-15.		1915-16.
	Budget.	Revised.	Budget.
RECEIPTS.	£	£	£
(*a*) Dividend on investments, Discount on Treasury Bills and Interest on Loans at short notice	520,500	488,500	374,300
(*b*) Remittance from India through Council Bills	...	600,000	...
(*c*) Exchequer Bonds, British Treasury Bills and Colonial Government Securities, etc., paid off	8,291,700	5,482,700	7,589,200
(*d*) Release of Gold at the Bank of England	...	3,450,000	...
Total	8,812,200	10,021,200	7,963,500
CHARGES.			
Investments made	8,278,200	949,900	7,306,000
Payments of Transfers and Bills on London	...	8,707,000	...
Deposit of Gold at the Bank of England	530,000	380,000	661,000
Custody of Gold at the Bank of England	1,200	1,100	500
Total	8,809,400	10,038,000	7,967,500

248. The following statement shows the transactions and balances of the fund in the two years in England and India taken together :—

	Budget, 1914-15.	Revised, 1914-15.	Budget, 1915-16.
OPENING BALANCE—	£	£	£
(*a*) Invested (cost price)	17,914,000	17,745,500	13,212,700
(*b*) Uninvested—			
(1) Gold set aside in the Bank of England	4,320,000	4,320,000	1,250,000
(2) Rupees held in India	4,000,000	4,000,000	...
(3) Gold held in India	...	...	5,238,300
(4) Cash in the Home Treasury placed at short notice	23,200	25,000	8,200
(5) Balance due from Treasury balance in India	...	22,200	...
(6) Temporary loan to Treasury balance in India	...	...	7,000,000
	26,257,200	26,112,700	26,709,200
CLOSING BALANCE—			
(*a*) Invested (cost price)	17,900,500	13,212,700	12,929,500
(*b*) Uninvested—			
(1) Gold set aside in the Bank of England	4,850,000	1,250,000	1,911,000
(2) Rupees held in India	4,000,000	...	...
(3) Gold held in India	...	5,238,300	5,483,300
(4) Cash in the Home Treasury placed at short notice	26,000	8,200	4,200
(5) Temporary loan to Treasury Balance in India	...	7,000,000	7,000,000
	26,776,500	26,709,200	27,328,000
Difference between opening and closing balance representing net income in the year and made up as follows :—			
(1) Interest, etc., on investments in England (*vide* paragraph 247)	520,500	488,500	374,300
Less charge for custody of gold	*—1,200*	*—1,100*	*—500*
(2) Arrears of profit on new rupee coinage in India	...	3,000	...
(3) Interest on temporary loan to Treasury balance in India	...	106,100	245,000
TOTAL	519,300	596,500	618,800

249. £8·707 million of sterling bills and telegraphic transfers have been sold in India on London during the current year. The amount has been credited in India to the Gold Standard Reserve. The opposite payments in London have been met partly from gold held on account of the Gold Standard Reserve at the Bank of England; partly from the proceeds of the Council Bills sold in England on the Reserve in India; and partly from the proceeds of the short-term securities of the British and Colonial Governments which have matured, and from the dividends on investments realised, during the year.

250. The following is a summary of the figures relating to Council Bills and the Sterling Debt of Government and of Railway Companies (omitting transfer fees, etc.) included in the estimates for 1914-15 and 1915-16 :— *1914-15 and 1915-16. Summary of Debt transactions and Capital account of Railway Companies.*

	Budget, 1914-15.	Revised, 1914-15.	Budget, 1915-16.
	£	£	£
RECEIPTS.			
Council Bills . . .	20,000,000	6,900,000	7,100,000
Permanent Debt incurred (India Stock) . . .	4,635,000	...	...
Temporary Debt incurred .	...	7,000,000	7,000,000
Receipts on account of the Subscribed Capital of Railway Companies . .	3,180,900	1,557,300	1,996,600
Receipts on account of the Debenture Capital of Railway Companies working purchased Railways . .	1,250,000	2,295,200	7,010,000
OUTGOINGS.			
Permanent Debt discharged .	500,000	500,000	907,500
Temporary Debt discharged .	...	...	7,000,000
Discharge of Railway Companies' Debentures (inclusive of Debentures of Companies working purchased lines) . . .	3,130,900	...	2,506,600

The programme herein announced of the probable drawings on India and of the transactions in connection with the Government Sterling Debt and the borrowings of Railway Companies, represents the present intentions of the Secretary of State. But in view of the varying conditions of Indian finance and of the London money market, no assurance can be given that this programme will be adhered to either in amount or in form. The Secretary of State reserves to himself the right to vary the programme to any extent that may be considered necessary during the course of the year. The estimate of Council drawings is for the amount necessary to provide for the Secretary of State's requirements, but additional Bills will as usual be sold if needed to meet the demands of trade.

INDIA.

251. The following is a summary of the Estimates of Ways and Means in India during 1914-15 and 1915-16 :—

	Budget Estimate, 1914-1915.		Revised Estimate, 1914-1915.		Budget Estimate, 1915-1916.	
	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.
Receipts.	R	£	R	£	R	£
1. Excess of Revenue over Expenditure charged to Revenue	31,93,12,000	21,287,500	25,34,23,000	16,894,900	23,71,17,000	15,807,800
2. Capital raised through Companies towards outlay on State Railways	1,22,50,000	816,600	3,55,13,000	2,367,500	9,80,00,000	6,533,300
3. Capital contributed by Native States towards outlay on State Railways	10,00,000	66,700	10,00,000	66,700	10,00,000	66,700
4. Unfunded Debt incurred, mostly Savings Bank deposits (net)	2,65,81,000	1,772,100	−7,60,64,000	−5,070,900	−32,97,000	−219,900
5. Appropriation for Reduction or Avoidance of Debt	30,22,000	201,500	31,52,000	210,100	73,94,000	492,900
6. Other Deposits and Remittances (net)—						
(a) War Transactions	...	...	3,07,30,000	2,048,600	−1,50,60,000	−1,004,000
(b) Other Transactions	56,89,000	379,300	−88,96,000	−593,000	−45,91,000	−305,900
7. Remittance account between England and India—						
Transactions of Railway Companies (net) excluding debenture capital	7,11,65,000	4,744,300	6,92,69,000	4,617,900	4,61,78,000	3,078,600
Total Receipts excluding loans	43,90,19,000	29,268,000	30,81,27,000	20,541,800	36,67,41,000	24,449,500
Disbursements.						
8. Capital Expenditure not charged to Revenue—						
(a) State Railways and Irrigation Works	13,47,64,000	8,984,300	13,82,95,000	9,219,700	10,87,28,000	7,248,500
(b) Initial expenditure on new Capital at Delhi	84,70,000	564,700	45,83,000	305,500	27,48,000	183,200
(c) Outlay by Companies (net)	2,27,000	15,100	−80,33,000	−535,600	−1,27,22,000	−848,100
9. Permanent Debt discharged (net)	29,06,000	193,700	15,92,000	106,100	12,56,000	83,800
*10. Provincial surpluses (−) or deficits (+)	4,80,89,000	3,205,900	3,38,24,000	2,255,000	1,61,63,000	1,077,600
11. Imperial and Provincial Loans (net)	25,36,000	169,100	19,35,000	128,900	−38,85,000	−259,000
12. Remittance account between England and India—						
(a) Capital raised by Railway Companies (net)	1,12,50,000	750,000	3,48,78,000	2,325,200	9,75,00,000	6,500,000
(b) Remittance of gold to England	...	...	90,72,000	604,800	...	...
(c) Transfers through Paper Currency Reserve	...	...	1,50,00,000	1,000,000	...	...
(d) War transactions	...	...	15,79,00,000	10,526,600	11,34,90,000	7,566,000
(e) Other transactions (net)	1,57,14,000	1,047,600	55,17,000	367,900	8,94,000	59,600
†13. Council Bills	30,00,00,000	20,000,000	9,98,58,000	6,657,200	10,89,00,000	7,260,000
Total Disbursements	52,39,56,000	34,930,400	49,44,21,000	32,961,300	43,30,72,000	28,871,600
Net Disbursements	8,49,37,000	5,662,400	18,62,94,000	12,419,500	6,63,31,000	4,422,100
Financed as follows:						
Permanent Debt incurred	5,00,00,000	3,333,300	5,00,00,000	3,333,300	4,50,00,000	3,000,000
Temporary Debt incurred (net)	...	...	11,00,00,000	7,333,300	...	...
Reduction of (+) or addition to (−) Treasury Balances	3,49,37,000	2,329,100	2,62,94,000	1,752,900	2,13,31,000	1,422,100
Total	8,49,37,000	5,662,400	18,62,94,000	12,419,500	6,63,31,000	4,422,100
Opening Balance	22,06,07,000	14,707,100	23,41,24,000	15,608,300	20,78,30,000	13,855,400
Closing Balance	18,56,70,000	12,378,000	20,78,30,000	13,855,400	18,64,99,000	12,433,300

* Head (10) represents expenditure defrayed by reduction of Provincial balances.

† The figures shown under head (13) differ from those given in the Home Treasury Ways and Means statement, as Bills drawn by the Secretary of State towards the end of one year are paid in India in the next. The figures of the present statement represent payments in India.

1914-15. Main features of Budget estimates.

252. In the Budget estimate for 1914-15, the cash balance in the Indian Treasuries on the 1st April 1914, was taken at R22,06 lakhs. It was estimated : (1) that the net Imperial revenue in India would amount to R31,93 lakhs, (2) that the net deposits in Savings Banks and Provident Institutions would increase during the year by R2,66 lakhs, (3) that a sum of R30 lakhs would be available from the Famine Insurance grant for the avoidance of debt, and

(4) that the remittance and capital transactions of Railway Companies, etc, would result in a net credit of R7,31 lakhs. On the other hand, provision was made: (1) for a net expenditure of R4,81 lakhs from Provincial balances, (2) for capital expenditure in India on railways (inclusive of outlay by companies) and canals to the extent of R13,50 lakhs, (3) for an outlay of R85 lakhs on the construction of the new Capital at Delhi, (4) for the discharge of R29 lakhs of the permanent debt, (5) for net payments of R25 lakhs and R100 lakhs, respectively, in connection with Imperial and Provincial loans and miscellaneous deposit and remittance transactions, and (6) for the payment of Council Bills to the extent of R30,00 lakhs. The total payments mentioned above aggregate R50,70 lakhs, against a total receipt of R42,20 lakhs; and it was proposed to meet the net disbursement of R8,50 lakhs by raising a rupee loan of R5 crores and by drawing on the cash balances to the extent of R3,50 lakhs.

1914-15. Main features of Revised estimates.

253. The results according to the Revised estimates show considerable variations from this forecast. The year opened with a balance which was R1,35 lakhs more than the Budget forecast, the increase being mainly due to the improvement in the revenue account in 1913-14 over the Revised estimate for that year (see paragraph 6). The full amount of the contemplated rupee loan of R5 crores was duly raised in July. The European war and the consequent dislocation of India's trade have, however, led to a large shortage in the revenue collections in India; while heavy withdrawals from our Postal Savings Banks have taken place since the outbreak of the war. It has accordingly been found necessary to borrow large sums temporarily from the Gold Standard Reserve, besides taking advantage of the offer of a temporary loan of R50 lakhs from the Gwalior State. Taking India as a whole, there will be a deterioration of R5,16 lakhs in the combined revenue account of the Imperial and Provincial Governments; of R10,26 lakhs under Unfunded Debt, a net payment of R7,60 lakhs being now anticipated on this account against a net receipt of R2,66 lakhs in the Budget; of R22 lakhs in the net credits connected with the remittance and capital transactions of Railway Companies, etc.; and of R44 lakhs under miscellaneous Deposit and Remittance transactions, being the net result of (1) higher drafts on the banking accounts maintained with our treasuries by various local bodies; (2) a large return of small coin from circulation; (3) a reduction in the balance of uncashed railway cheques at the end of the year as compared with that at its beginning; (4) smaller payments on account of foreign money orders; and several other variations. A payment of R1,50 lakhs has been made from treasury balances to the Paper Currency Reserve in India against a withdrawal of an equivalent amount of gold from the Reserve in England to meet the requirements of the Home Treasury; and a remittance of R91 lakhs in gold has also been made from India against a corresponding payment into the Home Treasury. Further, outlay to the extent of R12,72 lakhs will be incurred in India on behalf of His Majesty's Government in connection with the war, against which a payment will be made by the War Office into the Home Treasury of the Government of India. Our total claim against the Imperial Government on account of this recoverable expenditure in 1914-15 is estimated at R15,79 lakhs, see item 12 (*d*) in the table at page 124. But out of this sum, R3,07 lakhs represent the value of military stores and war *materiel* issued from our stock, in respect of which no cash outlay on replacement will be incurred in the current year and which will not, therefore, involve any reduction in our cash balances in 1914-15; and the latter amount accordingly appears in the table at page 124 as a credit under Deposits—see item 6 (*a*). The total deterioration in our financial position from the various circumstances mentioned above amounts to R31,21 lakhs. But it will be partly counterbalanced by improvements in other directions, aggregating R22,43 lakhs, made up as follows: (1) an increase of R1,35 lakhs in the opening balance of the year; (2) a reduction of R20,01½ lakhs in the payment of Council Bills; (3) a lapse of R47 lakhs in the grant for capital expenditure in India on railways (inclusive of outlay by companies) and canals, and of R39 lakhs in the Indian grant for Imperial Delhi; (4) a saving of R13 lakhs in the provision for the discharge of debt, mainly owing to the postponement

of the repayment of the instalment of the Gwalior loan of 1887 which fell due during the year; (5) a reduction of R6 lakhs in the net payments on account of *takavi* and other loans; and (6) a small increase of about R1½ lakh in the amount available from the Famine Insurance grant for the reduction or avoidance of debt. With the help of the temporary loan of R50 lakhs from the Gwalior Durbar and of temporary borrowing to the extent of R10,50 lakhs from the Gold Standard Reserve, we accordingly expect to close the year with a cash balance of R20,78 lakhs, or R2,22 lakhs more than the Budget estimate.

1914-15. Rupee loan.

254. It was announced last year, subject to the usual reservations, that a new 3½ per cent. rupee loan of R5 crores would be raised in 1914-15. Tenders for this loan were opened on the 3rd July and the result was as follows:—

Total amount tendered.	Amount accepted.	Average rate of accepted tenders.	Minimum rate accepted.
R	R	R a. p.	R a. p.
11,76,57,900	5,00,00,000	95 9 7·295	95 9 0

1915-16. Main features of Budget estimate.

255. In 1915-16 the net Imperial revenue in India is estimated at R23,71 lakhs; a sum of R74 lakhs will be available from the Famine Insurance grant for the avoidance of debt; the remittance and capital transactions of Railway Companies, etc., are likely to result in a net credit in India of R4,77 lakhs; and a net receipt of R39 lakhs is anticipated in connection with Imperial and Provincial loans, owing mainly to the recovery of a portion of the large amounts of *takavi* issued in 1913-14 and in the earlier part of the current year. On the other hand, provision has been made: (1) for an expenditure of R1,62 lakhs from Provincial balances; (2) for a net payment of R33 lakhs on account of Unfunded Debt; (3) for payments of R13 lakhs and R55 lakhs respectively in connection with the discharge of permanent debt, and miscellaneous deposit and remittance transactions; (4) for capital expenditure of R9,69 lakhs in India on railways and canals and of R27 lakhs on Imperial Delhi; (5) for a recoverable outlay of R11,35 lakhs in connection with the war, and for a net expenditure of R1,51 lakhs on the replacement of military stores and *materiel* supplied from our stock to His Majesty's Government; and (6) for the payment of Council Bills to the extent of R10,89 lakhs. The total amount of funds required by the Government of India next year therefore aggregates R36,25 lakhs, while the receipts at its disposal amount to only R29,61 lakhs.

1915-16. Borrowing in India.

256. Of the net disbursement of about R6½ crores, it will be possible to meet about R2 crores from the cash balance which will be held in India at the end of the current year; and to provide for the shortage, it is proposed to borrow in India next year a sum of R4½ crores. With a loan of this amount, the closing balance at the end of 1915-16 will stand, according to the present estimate, at R18,65 lakhs. The announcement now made regarding the rupee borrowing is in accordance with present intentions; but full liberty is reserved, as usual, to vary the programme now announced to any extent that may be considered desirable.

1914-15 and 1915-16.

257. The following table gives details of the transaction of Savings Banks and Provident Funds during a series of years, and the estimated transactions for 1914-15 and 1915-16:—

Post Office Savings Bank, etc.

Year.	Net additions to deposits, cash.	Interest.	Total addition.
1904-05	78,94,000	45,87,000	1,24,81,000
1905-06	31,49,000	46,80,000	78,29,000
1906-07	50,94,000	52,25,000	1,03,19,000
1907-08	14,86,000	53,50,000	68,36,000
1908-09	—26,22,000	54,63,000	28,41,000
1909-10	51,82,000	57,20,000	1,09,02,000
1910-11	1,05,06,000	60,82,000	1,65,88,000
1911-12	1,95,69,000	67,79,000	2,63,48,000
1912-13	1,68,26,000	73,79,000	2,42,05,000
1913-14	2,37,05,000	84,07,000	3,21,12,000
1914-15 (Revised)	—8,45,73,000	77,72,000	—7,68,01,000
1915-16 (Budget)	—1,06,86,000	65,65,000	—41,21,000

The net withdrawals from Postal Savings Banks in the current year to end of January have amounted to ₹8,67 lakhs, and the net withdrawals in February and March are estimated at ₹25 lakhs, bringing the total net withdrawals from these banks in 1914-15 to ₹8,92 lakhs. The Budget estimate for 1915-16 anticipates a further net withdrawal of ₹1,50 lakhs from Postal Savings Banks, and a growth of ₹43 lakhs in the deposits in the various Provident funds for Government servants.

J. B. BRUNYATE.

The 22nd March 1915.

Appendix I.

PRO FORMÂ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

Prefatory Note.

I.—Scope of pro formâ account.

The following *pro formâ* account, with its supporting statements, exhibits the expenditure, initial and annual, on Delhi and the Delhi Province and also any receipts and savings which form a direct set-off to that expenditure. The account has been prepared in consultation with the Comptroller General and carries his approval as regards both its form and its substantial completeness at the present date subject to the qualifications implied in the following prefatory remarks; it will be added to, or amplified later, if experience should show this to be necessary.

2. The main item of the account, as regards non-recurring expenditure, is the Delhi project proper, the figures for which appear against item 1 of Part I.—*Initial Outlay.* The principal recurring charge is that representing the expenditure in the new province, which appears as item 1 of Part II.—*Annual Expenditure.*

3. The account necessarily exhibits any expenditure occurring under the named heads, without qualification on account of contributory causes. It must, therefore, be clearly understood that the increase of expenditure, including that in the Delhi Province, is not wholly due to the change of Capital. Thus, an increase of the garrison at Delhi on strategic grounds had been already independently and strongly recommended to the Government of India by the Chief of the General Staff and endorsed by His Excellency the Commander-in-Chief in July 1911, before the transfer of the Capital had been officially proposed, and the reconstruction of the accommodation of the troops already there had long been recognised as pressing. Similarly, the recent advance in the policy relating to education and sanitation, particularly the latter, would, under any circumstances, have involved increased expenditure in this city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance. The same principle will be applied to the Railway expenditure, *i.e.*, the cost of any remodelling of the railway system which is connected with the constitution of the new Capital will be exhibited in full in the *pro formâ* account. A wholly independent railway requirement, such as the permanent marshalling yard which will eventually replace the temporary yard now in use, will not be shown.

II.—Relation between the pro formâ account and the regular accounts.

4. A brief explanation is added below connecting the various items in the *pro formâ* account with the entries in the published accounts and estimates. Some further explanations are also to be found in the account itself and in its supporting statements.

5. The capital expenditure directly incurred on the construction of the new Imperial Capital at Delhi is shown in the regular accounts under the special head "51—Initial Expenditure on the new Capital at Delhi." The only other item of expenditure which will be recorded in the capital section of the regular accounts is that arising from diversions or re-arrangements of the railway system, which will appear under the head "48—State Railways." Item 1 of Part I of *pro formâ* account. Item 3 (*b*), *ibid.*

6. The initial expenditure incurred during the years 1911-12 and 1912-13 in connection with the provision of temporary accommodation for the Government of India at Delhi, pending the construction of the new Capital, has been treated, on the advice of the Comptroller General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "45—Civil Works". Any non-recurring receipts which may eventually be obtained in connection with these temporary works, *e. g.*, from the sale of lands and buildings when no longer required by the Government of India, will be similarly credited under a special head subordinate to the major head XXXI—Civil Works." Item 2, *ibid.* Item II, *ibid.*

7. The remaining expenditure is mainly brought to account in one of two ways: either, first, as expenditure of the new Province; or, secondly, as departmental expenditure chargeable to the Department in which it is incurred.

Items 1 and I of Part II of *pro formâ* account.

8. The expenditure and receipts appertaining to the *quasi*-provincial administration of the Imperial area are brought to account in the same way as in the case of other minor administrations, and are eventually published separately, like the figures for Coorg and Baluchistan, in an appendix to the Civil Estimates. But as the Civil Estimates are not published till late in the year, a special arrangement has been made by which the figures for the Delhi province under each major head are separately shewn in the various sections of the Financial Secretary's memorandum (*e.g.*, I and 3, Land Revenue, page 21). It will be noted that any grants which may specially be given from Imperial revenues in aid of the Delhi Municipality or other local funds will be brought into the regular accounts and, consequently, into the *pro formâ* account also, since they will appear as charges of the Delhi administration.

9. Expenditure which does not appertain to provincial administration is recorded, as in the case of other provinces, under its appropriate departmental head in the regular accounts. Thus expenditure on the land and buildings

Items 3 (*a*) and III of Part I of *pro formâ* account.

required for the new Cantonment, and any corresponding receipts, appear under the Army and Military Works heads, respectively, under both of which a special Delhi sub-head has been opened. Railway capital outlay has already been referred to. Railway revenue charges and receipts similarly come under the Railway account head. In these cases, the *pro formâ* account necessarily exhibits only initial expenditure and non-recurring receipts, as Military expenditure is not being permanently increased and the influence of the new Capital on the ordinary daily receipts and working expenses of the Railways cannot evidently be satisfactorily isolated. This latter consideration also applies to the case of Postal and Telegraph expenditure, which moreover represents ordinary administrative expenditure of the department, and is relatively insignificant in amount. For these reasons, in the case of this department, neither the initial outlay nor the recurring receipts and expenditure have been included.

Items 4 to 7 and I and IV of Part I, and Items 2 and 3 and II to V of Part II of *pro formâ* account.

Item I of Part I.

10. There are also a few items of expenditure and of actual receipt or of definite saving which are not recorded in the accounts of the Delhi Province or in the departmental accounts, but which it is necessary to take into consideration in calculating the expenditure in Delhi and the Delhi Province. Most of these are self-explanatory, but attention may be called to the intended treatment of the sale-proceeds of vacated lands and buildings at Calcutta (if any) and elsewhere. These will be credited under the major heads, "XXV—Miscellaneous" and "XXXI—Civil Works", and the *pro formâ* account will take credit only for actual Imperial receipts. No account will be taken, in the statements themselves, of book transactions, or of the considerable savings obtained from the vacation of rented accommodation, *i.e.*, of relief in respect of rental payments which the Local Government obtains by giving up private buildings previously leased for provincial establishments, and moving the latter into offices formerly occupied by the Government of India. Any reference made to such savings will, therefore, be found in an explanatory footnote. [See Part I, Note 5.]

11. Outlay on stores and all other expenditure incurred in England under a capital head or as a revenue charge, which can be distinguished as appertaining to the construction of Delhi or to the administration of the Delhi Province, have been included in the *pro formâ* account.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART I.—INITIAL OUTLAY.

[Figures in thousands of Rupees.]

EXPENDITURE.	Actuals to end of 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
1. DELHI PROJECT: Capital outlay on permanent Delhi chargeable to Head "51" (for details see Statement I-A)	85,05	54,51	40,00
2. Temporary Delhi *	54,33	...	...
3. Initial expenditure of non-Civil Departments :—			
(a) Military services †	16,84	20,00	10,00
(b) Railways ‡	...	7,50	2,00
4. Non-recurring grant to the Punjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionership transferred from Delhi	...	1,26	...
5. Cost of withdrawal to Delhi of Imperial offices previously located at Calcutta or elsewhere	1,92	27	...
6. Special non-recurring monetary concessions to establishments of the Government of India and attached offices on the occasion of their first move to Delhi	53	27	27
7. Miscellaneous items §	90	15	...
TOTAL	1,59,57	83,96	52,27
Total Expenditure to end of 1915-16		2,95,80	
Net expenditure to end of 1915-16		2,95,80	

RECEIPTS.	Actuals to end of 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
I.—Receipts which may be obtained on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move	...	...	...
II.—Non-recurring receipts on account of Temporary Works	...	...	...
III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi ‖	...	...	...
IV.—Miscellaneous items	...	...	...
TOTAL	...	...	...
Total receipts to end of 1915-16	...		

* NOTE 1.—The head "Temporary Delhi" has been closed from 1st April 1913, subsequent expenditure being treated as part of the expenditure of the Delhi Province—see Part II of Account.

† NOTE 2.—The expenditure included under item 3 (a) is that relating to the formation of the new Cantonment. Its details are as follows :—

	To end of 1913-14.	1914-15.	1915-16.
Acquisition of land	10,93	1,90	33
Cost of buildings	4,77	18,10	9,67
Establishment charges	1,14		
TOTAL	16,84	20,00	10,00

‡ NOTE 3.—The provision in 1914-15, and in 1915-16 is mainly on account of land acquisition charges.

§ NOTE 4.—The expenditure shown against item 7 represents mainly cost of temporary establishments employed in the Secretariats in connection with the change of Capital.

‖ NOTE 5.—These heads will record only actual receipts obtained from the sale of the vacated buildings and land. As explained in paragraph 10 of the prefatory note, this procedure has the effect of excluding a substantial true saving in respect of rented accommodation. Thus in 1913-14 the Government of Bengal, by moving its offices into the vacated Imperial buildings in Calcutta, saved Rs. 58,000, partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of Rupees.]

Expenditure.	Actuals, 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.	Receipts.	Actuals, 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
1. Expenditure of Delhi Province * . .	33,74	35,69	29,74	I.—Revenues of Delhi Province*. . . .	15,05	15,77	15,41
2. Compensatory assignment to Punjab Provincial revenues in respect of extra expenditure incurred in administering territories which have been transferred from the old Delhi District to the districts of Rohtak and Gurgaon . .	...	23	13	II.—Assignment from Punjab Provincial revenues to Imperial on account of the creation of the new Province of Delhi, with effect from the 1st October 1912† .	1,91	1,91	1,91
3. Miscellaneous items .	...	...	...	III.—Saving under Calcutta house allowances‡ .	40	41	42
				IV.—Saving under hill journey and travelling allowances and contingencies on account of shorter move of Secretariat and attached offices.§ . .	2,50	2,50	2,50
Total expenditure .	33,74	35,92	29,87	V.—Miscellaneous items .	...	...	...
Net expenditure .	13,88	15,33	,63	Total receipts .	19,86	20,59	20,24

* NOTE 1.—The details of this item are given in Statement II-A.

† NOTE 2.—This assignment represents the amount by which the Provincial outlay on the Delhi area exceeded the Provincial revenue obtained therefrom prior to the constitution of the Imperial enclave, *i.e.*, the net expenditure incurred on that area of which the Local Government has now been relieved.

‡ NOTE 3.—The figures shown against item III will be subject to increase as additional offices are successively transferred from Calcutta to Delhi.

§ NOTE 4.—The figure shown against item IV is a minimum figure calculated once for all on the assumption that all offices or portions of offices which previously moved between Calcutta and Simla have subsequently moved regularly between Delhi and Simla. The actual saving throughout has been larger owing to certain establishments which previously moved to Calcutta being retained in Simla throughout the cold weather.

STATEMENT I.-A.

Details of Capital outlay on the Delhi Project working up to the total figures shown against item 1 in Part I of pro formâ *account.*

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1913-14.	Revised Estimate, 1914-15.	Budget† Estimate, 1915-16.
A.—Salaries and allowanees—			
(*a*) Preliminary Investigation—			
(i) Gazetted officers*	2,02	2	
(ii) Non-gazetted officers	14	...	
(*b*) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers*	3,69	3,69	
(ii) Non-gazetted officers	1,28	1,91	
(*c*) Other officers employed on the Project—			
(i) Gazetted officers*	1,10	80	
(ii) Non-gazetted officers	37	28	
B.—Travelling allowances of Officers and Establishment—			
(*a*) Preliminary Investigation—			
(i) Gazetted officers*	23	...	
(ii) Non-gazetted officers	2	...	
(*b*) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers*	34	39	
(ii) Non-gazetted officers	16	20	
(*c*) Other officers employed on the Project—			
(i) Gazetted officers *	5	4	
(ii) Non-gazetted officers	4	2	
C.—Supplies, Services and Contingencies—			
(*a*) Preliminary Investigation	51	...	
(*b*) Public Works and Electrical officers employed on the Project	52	34	
(*c*) Other officers employed on the Project	11	14	
D.—Works Expenditure—			
(i) Buildings	1,51	8,95	
(ii) Communications	6	1,05	
(iii) Miscellaneous Public Improvements	1,05	23	
(iv) Electric Light and Power	...	...	
(v) Irrigation	...	...	
(vi) Sanitation including water-supply, drainage and sewage	...	...	
(vii) Purchase of tools and plant	12,08	16,56	
(viii) Stock and Suspense	4,59	2,56	
(ix) Miscellaneons items	20,76	13,74	
(x) Maintenance during construction	19	1,91	
E.—Acquisition of land	34,19	1,68	
F.—Other Miscellaneous expenditure	4	...	
G.—Unallotted Reserve	...	...	
Deduct.—Receipts on Capital Account	...	...	
Total	85,05	54,51	40,00

* NOTE.—The charges of the town planners and other experts are included under these heads

† The total grant has not yet been distributed finally among the various items.

STATEMENT II-A.

Revenue and Expenditure of Delhi Province.

[figures in thousands of Rupees.]

RECEIPTS.				EXPENDITURE.			
Major heads of Account.	Actuals, 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.	Major heads of Account.	Actuals 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
I.—Land Revenue	3,53	3,53	3,56	1. Refunds and Drawbacks	9	10	9
II.—Opium	25	25	25	2. Assignments and Compensations	2	9	...
IV.—Stamps	3,06	3,32	3,18	3. Land Revenue	92	1,03	1,01
V.—Excise	2,71	2,88	2,95	6. Stamps		7	7
VII.—Customs	4	4	4	7. Excise	6	6	7
VIII.—Assessed Taxes	2,13	2,20	1,98	10. Assessed Taxes	1	1	1
X.—Registration	23	24	24	11. Forest	...	...	7
XII.—Interest	39	39	36	12. Registration	6	7	7
XVI-A.—Courts of Law	21	17	20	13. Interest	...	...	...
XVI-B.—Jails	32	30	28	18. General Administration	95	85	88
XVII.—Police	4	5	6	19-A. Courts of Law	1,62	2,50	1,70
XIX.—Education	19	19	17	19-B. Jails	64	70	70
XX.—Medical	1	1	1	20. Police	3,93	4,32	4,07
XXIA.—Agriculture	1	...	...	22. Education	1,43	2,34	1,56
XXIB.—Scientific and Miscellaneous Departments.	5	5	5	23. Ecclesiastical	13	16	19
XXII.—Receipts in aid of Superannuation, etc.	3	3	3	24. Medical	1,86	5,36	2,36
XXIII.—Stationery and Printing	5	6	6	25. Political	...	1	1
XXV.—Miscellaneous	36	51	50	26A. Agriculture	7	13	12
XXX.—Minor Irrigation Works and Navigation.	1	1	1	26B. Scientific and Miscellaneous Departments.	9	4	2
XXXI.—Civil Works	1,43	1,54	1,48	27. Territorial and Political Pensions.	37	60	51
				29. Superannuation and Retired allowances.	1,71	1,76	1,72
				30. Stationery and Printing	10		14
				32. Miscellaneous	38	50	98
				43. Minor Irrigation Works and Navigation.	1		3
				45. Civil Works	(a)19,23	(b)14,84	13,36
Total Receipts	15,05	15,77	15,41	Total Expenditure	(a)33,74	(b)35,69	29,74

(a) Includes 7 on account of expenditure in England on purchase of stores.
(b) „ 2 „ „ „

APPENDIX.

Appen

COMMERCIAL AND

TABLE I.—MIS

	1906-07.	1907-08.	1908-09.
Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works and the Delhi Capital not charged against Revenue—			
Surplus	£ 1,589,340	£ 300,615	...
Deficit	...	...	£ 3,737,710
Capital Expenditure on Railways and Irrigation Works not charged against Revenue*	£ 8,712,668	£ 11,412,767	£ 10,471,657
Ditto charge involved in Redemption of Liabilities	...	£ 2,144,800	...
Initial Expenditure on new Capital at Delhi	...	...	...
Net Public Debt incurred	£ 4,166,102	£ 10,725,963	£ 5,633,956
Net Public Debt incurred, including Capital transactions with Railway Companies	£ 2,144,709	£ 13,311,920	£ 10,370,196
Value of commodities exported, excluding Gold and Silver	₹ 1,77,03,00,000	1,77,48,50,000	1,53,14,30,000
Ditto imported, ditto ditto	₹ 1,17,24,20,000	1,36,64,80,000	1,28,78,70,000
Excess of Exports over Imports, excluding Gold and Silver	₹ 59,78,80,000	40,83,70,000	24,35,60,000
Net Imports of Gold	₹ 14,85,60,000	17,36,80,000	4,35,60,000
Ditto of Silver	₹ 24,00,60,000	19,46,80,000	12,06,80,000
TOTAL NET IMPORTS OF GOLD AND SILVER	₹ 38,86,20,000	36,83,60,000	16,42,40,000
Excess of Exports over Imports including Gold and Silver	₹ 20,92,60,000	4,00,10,000	7,93,20,000
Grand Total value of Imports and Exports of all kinds	₹ 3,44,57,00,000	3,61,86,60,000	3,10,99,40,000
Secretary of State's Bills sold (Rupees)	₹ 49,09,99,935	§24,30,65,151	§20,96,37,188
Sterling Equivalent received	£ 32,907,196	§16,232,061	§13,915,426
Silver coined at the Indian Mints	₹ 26,08,57,405	18,11,56,540	2,85,35,914
Maximum price in pence of an oz. troy, standard Silver in London	33⅛ (Nov.)	32 5/16 (Aug.)	25½ (Apl.)
Minimum ditto ditto	29⅝ (Apl. & June)	24 (Dec.)	22 (Dec.)
Average Exchange upon Secretary of State's Bills sold per rupee	1s. 4·083d.	1s. 4·029d.	1s. 3·964d.
Fixed rate of Exchange for the adjustment of transactions between the Indian and Imperial Treasuries	1s. 4d.	1s. 4d.	1s. 4d.
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	9 (from Dec. 6 to Mar. 31).	9 (from Apl. 1 to 17 and Jan. 16 to Mar. 4).	8 (from Jan. 28 to Mar. 17).
Minimum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	3 (from July 19 to Aug. 8).	3 (from July 25 to Sept. 11).	3 (from July 15 to Sep. 2).
Maximum rate of discount at the Bank of England	6 (Oct. 19 to Jan. 16).	7 (Nov. 7 to Dec. 31).	3 (Apl. 1 to May 27 & Jan. 14 to Mar.).
Minimum ditto ditto	3½ (Apl. 5 to May 2, June 21 to Sept. 12).	3½ (Mar.)	2½ (May 27 to Jan. 13).
Maximum Government balances at the three Presidency Banks	₹ 3,68,28,000 (Aug.)	4,10,83,000 (Mar.)	4,19,82,000 (July)
Minimum ditto ditto	₹ 2,95,11,000 (Oct.)	2,86,56,000 (Apl.)	3,04,47,000 (Jan.)
Maximum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed)	99—11 (Apl. 1 & 2).	98—6 (May 4 to 7)	96—15 (Apl. 7)
Minimum ditto ditto	94—13 (Dec. 17 & 18).	95—8 (Jan. 14 and 15).	93—2 (Mar. 16)
Maximum price in Calcutta of 3 per cent Rupee Securities	87—2 (Apl. 1 to 19 & Apl. 24 to May 14).	82—8 (Apl. 1 to May 14).	81—0 (July 18 to Mar. 31).
Minimum ditto ditto	82—8 (Feb. 20 to 26 & Mar. 28).	79—0 (5th Feb. to Mar. 31).	79—0 (Apl. 1 to May 3).
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts	₹ 16,92,17,000 (Dec.)	16,44,30,000 (Apl.)	15,29,69,000 (Apl.)
Minimum ditto ditto	₹ 16,30,80,000(July)	15,23,22,000 (Mar.)	14,43,66,000(Mar.)
Maximum price in London of 3½ per cent (Rupee Securities in Gold)	66⅜ (Apl.)	65¾ (Apl. & May)	63 13/16 (Apl.)
Minimum ditto ditto	64 5/16 (Dec.)	62¾ (Nov.)	61⅞ (Mar.)
Maximum price in London of India 3½ per cent Stock	106 (Apl.)	103 (Feb.)	102⅛ (June)
Minimum ditto ditto	99½ (Mar.)	96¾ (Aug.)	95⅞ (Mar.)
Maximum price in London of India 3 per cent Stock	97¼ (Apl.)	93 (Feb.)	92⅞ (Apl.)
Minimum ditto ditto	88½ (Mar.)	84½ (Sep.)	84½ (Mar.)
Maximum price in London of India 2½ per cent Stock	82 (Apl.)	79½ (Feb.)	78¾ (Apl.)
Minimum ditto ditto	75 (Mar.)	70⅓ (Aug.)	70 (Jan.)
Maximum Government Paper Currency outstanding	47,30,20,000(July)	52,74,34,000 (Sept.)	48,09,87,000 (July)
Minimum ditto ditto	₹ 42,89,24,000 (May)	41,81,65,000 (Jan.)	42,07,01,000 (Dec.)
Number of Post Office Savings Banks	8,049	8,328	8,501
Number of accounts in Post Office Savings Banks	1,190,220	1,262,763	1,318,632
Amount deposited in Savings Banks	₹ 14,76,69,789	15,18,14,343	15,23,41,514
Average of each deposit	133·99	120·22	115·53
Net addition to deposits	77,43,529	41,44,554	5,27,171

*Excludes capital charge involved in redemption of liabilities.

§ Include remittances of the Gold Standard Reserve.

dix.

FINANCIAL STATISTICS
CELLANEOUS.

1909-1910.	1910-1911.	1911-1912.	1912-1913.	1913-1914.	1914-1915, Revised.	1915-1916, Budget.
£ 606,641	£ 3,936,287	£ 3,940,334	£ 3,107,631	£ 2,312,123		
...	...	...	...	...	£ 2,785,800	£ 2,957,100
£ 7,373,966	£ 10,119,093	£ 8,517,915	£ 10,221,224	£ 11,765,462	£ 11,713,800	£ 8,737,700
...	£ 5,904,100	...	...	...	...	...
...	...	£ 4,992	£ 114,894	£ 447,134	£ 363,400	£ 266,700
£ 10,408,347	£ 8,896,956	£ 1,823,173	£ 2,937,639	£ 118,200	£ 2,727,200	£ 2,008,700
£ 10,747,575	£ 12,654,438	£ 854,140	£ 2,373,391	£ 2,858,044	£ 5,656,600	£ 8,178,900
1,87,96,80,000	2,09,96,20,000	2,27,99,00,000	2,46,21,80,000	2,19,00,70,000	1,67,95,30,000(*b*)	
1,22,65,10,000	1,33,70,60,000	1,44,05,50,000	1,66,63,00,000	1,91,30,80,000	1,35,02,10,000(*b*)	
65,31,70,000	76,25,60,000	83,93,50,000	79,58,00,000	57,69,90,000	32,93,20,000	
21,67,90,000	23,97,90,000	37,76,00,000	34,00,10,000	23,92,10,000	6,88,50,000(*b*)	
9,44,50,000	8,63,00,000	5,33,70,000	17,19,90,000	13,03,30,000	8,16,60,000(*b*)	
31,12,40,000	32,60,90,000	43,09,70,000	51,20,00,000	36,35,70,000	15,05,10,000(*b*)	
34,19,30,000	43,64,70,000	40,83,80,000	28,38,00,000	21,34,20,000	17,88,10,000 *b*)	
3,54,54,20,000	3,90,53,00,000	4,35,89,00,000	4,85,31,20,000	4,90,83,80,000	3,27,78,00,000	
§40,54,12,663(*a*)	§40,02,50,114(*a*)	40,37,70,748(*a*)	38,49,88,178	§ 46,59,68,715	§ 11,24,43,000	10,65,00,000
§27,096,586(*a*)	§26,783,303(*a*)	27,058,549(*a*)	25,759,706	§31,200,827	§7,500,000	7,100,000
2,17,56,166	2,19,25,112	2,80,74,320	19,53,69,944	13,15,68,537	2,12,17,127	
24 13/16 (May)	26 1/4 (October)	27 7/8 (February)	29 3/4 (3rd December).	28 1/16 (22nd September).	27 1/4 (30th Apl.).	
23 1/16 (October)	23 11/16 (February)	23 15/16 (July)	26 1/16 (25th March)	25 15/16 (1st December).	22 1/8 (13th and 14th Novr.).	
1*s.* 4·041*d.*	1*s.* 4·061 *d.*	1*s.* 4·084*d.*	1*s.* 4·058*d.*	1*s.* 4·070*d.*	1*s.* 4·008*d.*	1*s.* 4*d.*
1*s.* 4*d.* 7 (from 1 to 28 Apl. & 3 to 31 March).	1*s.* 4*d.* 8 (from 23rd Feb. 1911 to 29th Mar. 1911)	1*s.* 4*d.* 8 (from 26th Jan. to 6th Mar.).	1*s.* 4*d.* 8 (from 9th Jan. to 12th Feb.).	1*s.* 4*d.* 7 (1st to 16th Apl. and 13th Nov. 1913 to 18th Mar. 1914).	1*s.* 4*d.* 6(1st to 30th Apl. and 5th Nov. to 31st Dec. 1914 and 1st Jan. to 13th March 1915).	
3 (from 1 July to 29 Sept.).	3 (from 1st July to 21st Sept.).	3 (from 3rd Aug. to 31st Aug. 1911).	3 (from 11th July to 11th Sept.).	3 (3rd July to 6th Aug.).	3(9th July to 5th Aug. 1914).	
5 (October 21st to Decr. 8th).	5 (Oct. 20th to Nov. 30th).	4 (from 21st Sept 1911 to 7th Feb. 1912).	5 (17th October 1912 to 31st March 1913).	5 (1st to 16th April and from 2nd October 1913 to 7th January 1914).	10 (from 1st to 5th Aug. 1914).	
2 1/2 (Apl. 1st to October 6th).	3 (June 9th to Sept. 28th and Mar. 9th to Mar. 31st).	3 (from 1st Apl. to 20th Sept. 1911).	3 (9th May to 28th August).	3 (29th January to 31st March 1914).	3 (from 1st Apl. to 29th July).	
4,58,77,000 (July)	4,10,08,000 (Sept.)	4,48,68,000 (Nov.)	5,65,10,000 (Mar.)	6,18,88,000 (Oct.)	10,12,86,000(Aug.)	
3,07,61,000 (Apl.)	3,53,92,000 (June)	3,68,74,000 (Feb.)	4,00,35,000 (Apl.)	4,85,95,000 (May)	4,84,04,000(Nov.)	
95—5 (24 Aug.)	96—10 (2nd Aug.)	96—14 (9th Dec.)	97—2 (3rd to 6th May).	96—12 (19th and 21st July).	96-1 (from 14th to 15th and 17th to 25th July 1914).	
92—12 (4 to 7 Dec.).	93—6 (7th Nov.)	94—12 (3rd & 4th Oct.).	94—12 (3rd & 6th Jan.).	94—14 (13th & 17th Oct.).	(*d*) 91-8 (13th and 15th March).	
82—0 (31 Aug. to 11 Nov.).	82—0 (12th July to 19th Aug. and 15th Feb. to 31st Mar.).	82—0 (1st to 23rd Apl., 5th May to 24th Sept., 27th Sept. to 9th Oct. and 20th Nov. to 31st Mar.).	83—0 (7th May to 14th Oct.).	83—0 (2nd to 4th Sept. 1913 and from 26th Feb. to 31st March 1914).	83 (1st April to 4th Aug. 1914).	
79—12 (27 Nov.)	80—4 (5th Dec.)	81—0 (25th & 26th Sept. and 10th to 14th Oct.).	82—0 (1st to 24th Apl. & 24th Oct. 1912 to 31st March 1913).	82—0 (1st Apl. to 26th Aug.).	77 (31st Aug. to 3rd Sept. 1914).	
16,06,73,000 (Oct.)	15,07,31,000 (Apl.)	12,68,10,000 (Apl.)	11,65,48,000 (Apl.)	11,11,55,000 (Apl.)	9,96,09,000(Apl.)	
14,81,15,000 (Apl.)	12,78,50,000(Mar.)	11,73,04,000 (Mar.)	11,13,78,000 (Jan.)	10,08,74,000(Mar.)	9,74,68,000(Dec.)	
63 5/16 (Oct.)	64 9/16 (Feb.)	64 1/8 (Dec.)	64 3/4 (May)	64 1/8 (Feby.)	(*e*) 63 7/8 (May)	
61 1/8 (Apl.)	62 11/16 (Oct.)	63 1/2 (Oct.)	63 5/16 (Mar.)	63 1/2 (Apl.)	(*e*) 63 (July)	
100 3/8 (May)	97 1/8 (Feb.)	96 1/4 (Apl.)	94 11/16 (Apl.)	93 1/2 (Jan.)	90 1/2 (Apl.)	
95 (March)	92 3/8 (Sept.)	91 (Sept.)	89 (Mar.)	84 5/16 (Jan.)	(*c*) 83 (Jan.)	
90 1/2 (Apl.)	84 3/8 (Feb.)	84 3/16 (Apl.)	80 3/4 (Apl.)	80 3/4 (Jan.)	77 1/4 (Apl.)	
81 5/8 (March)	79 1/2 (Sept.)	78 1/8 (Sept.)	75 (Mar.)	71 1/2 (Dec.)	(*c*) 71 (Jan.)	
76 (Apl.)	70 1/8 (Feb.)	70 1/8 (Apl.)	67 1/2 (Apl.)	66 11/16 (Feby.)	64 (Apl.)	
69 (March)	66 (Sept.)	65 1/8 (Sept.)	62 9/16 (Mar.)	59 1/2 (Jan.)	(*c*) 58 (Jan.)	
54,40,84,000(Mar.)	59,16,45,000(July)	61,36,25,000(Mar.)	68,97,78,000(Mar.)	69,89,84,000(July)	75,44,53,000(July)	
43,64,99,000 (Apl.)	49,67,01,000 (Dec.)	54,68,58,000 (Apl.)	58,33,57,000 (Apl.)	61,79,95,000(Sept.)	60,25,94,000(Jan.)	
8,767	8,929	9,502	9,460	9,824		
1,378,916	1,430,451	1,500,834	1,566,860	1,638,725		
15,86,71,786	16,91,88,224	18,89,85,439	20,61,14,503	23,16,75,467		
115·07	118·28	125·92	131·55	141·38		
63,30,272	1,05,16,438	1,97,97,215	1,71,29,064	2,55,60,964		

(*a*) Include remittance of the Currency Department.
(*b*) Figures for 11 months (April to February).
(*c*) Minimum prices fixed by Stock Exchange Committee. The Stock Exchange was closed from 31st July 1914 to 3rd January 1915, and there were no official transactions during that period.
(*d*) Buyer's rate.
(*e*) No quotations since August 1914.

Appendix—*continued.*

Commercial and Financial Statistics.

Table II.—Capital Expenditure on State Railways in 1913-1914, and Estimated Expenditure on such works in 1914-1915 and 1915-1916, and to end of 1915-1916.

Railways.	To end of 1912-1913.	Accounts, 1913-1914.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.	To end of 1915-1916.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
Open Lines.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Agra-Delhi Chord	1,44,67,320	1,27,300	1,62,000	8,000	1,47,64,620	1,47,64,620	...	
Ahmedabad-Dholka (earthwork, etc.)	59,900	...	...	...	59,900	59,900	...	
Assam-Bengal (Construction)	9,18,12,307	48,72,534	50,65,000	32,80,000	10,50,29,841	10,50,29,841	...	
Ditto (Land)	48,00,112	3,17,201	4,57,000	...	55,74,313	55,74,313	...	
Baran-Kotah	46,47,772	...	...	...	46,47,772	46,47,772	...	
Bengal-Nagpur Railway	...	...	72,67,000	99,59,000	1,72,26,000	1,72,26,000	...	
Bezwada Extension	12,31,370	2,472	9,000	2,000	12,44,842	12,44,842	...	
Bhopal	39,41,322	82,145	60,000	19,000	41,02,467	41,02,467	...	
Bombay, Baroda and Central India	46,78,87,896	1,35,92,563	1,14,78,000	1,18,00,000	50,47,58,459	50,47,58,459	...	
Burma	9,74,12,324	...	...	...	9,74,12,324	9,74,12,324	...	
Burma Railway Extensions	2,19,82,237	41,929	1,10,000	55,000	2,21,89,166	2,21,89,166	...	
Cawnpur-Banda	49,83,015	19,51,103	9,30,000	2,15,000	80,79,118	80,79,118	...	
Coonoor-Ootacamund	38,65,407	1,02,785	3,38,000	18,000	43,24,192	43,24,192	...	
Dharmapuri Hosur Extension	20,32,163	1,28,642	*—22,000*	...	21,38,805	21,38,805	...	
Dhone-Kurnool	10,06,675	2,075	3,000	5,000	10,16,750	10,16,750	...	
East Indian	48,34,69,675	2,52,10,934	3,49,34,000	1,03,50,000	55,39,64,609	55,39,64,609	...	
Eastern Bengal	26,64,60,536	1,38,76,615	1,91,68,000	1,23,54,000	31,18,59,151	31,18,59,151	...	
East Coast—Northern Section	3,09,29,430	...	...	...	3,09,29,430	3,09,29,430	...	
Frontier Railway Reserve Material	43,90,861	*—30,540*	...	...	43,60,321	43,60,321	...	
Carried over	1,50,53,80,322	6,02,77,758	7,99,59,000	4,80,65,000	1,69,36,82,080	1,69,36,82,080	...	

Appendix—*continued.*

Railways.	To end of 1912-1913.	Accounts, 1913-1914.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.	To end of 1915-1916.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward .	1,50,53,80,322	6,02,77,758	7,99,59,000	4,80,65,000	1,69,36,82,080	1,69,36,82,080	...	
Open Lines.								
Great Indian Peninsula System . .	35,36,35,198	3,11,57,330	2,74,37,000	3,09,15,000	44,31,44,528	44,31,44,528	...	
Jodhpur-Hyderabad (British Section)	42,42,650	1,29,312	95,000	43,000	45,09,962	45,09,962	...	
Jorhat	10,43,646	21,213	24,000	20,000	11,08,859	11,08,859	...	
Lucknow-Bareilly	51,21,139	...	...	...	51,21,139	51,21,139	...	
Madras and Southern Mahratta Railway (Madras Section)	15,29,27,650	...	...	...	15,29,27,650	15,29,27,650	...	
North-Western	75,60,25,392	3,18,05,193	2,66,09,000	1,36,00,000	82,80,39,585	82,80,39,585	...	
Railway facilities at Delhi . .	...	...	7,50,000	2,00,000	9,50,000	9,50,000	...	
Rahoki Nurpur Khas conversion . .	...	...	...	7,00,000	7,00,000	7,00,000	...	
Oudh and Rohilkhand	26,48,45,387	71,11,014	45,96,000	21,88,000	27,87,40,401	27,87,40,401	...	
Petroleum Operations, Baluchistan . .	1,19,187	...	...	...	1,19,187	1,19,187	...	
Rohilkund and Kumaon Railway (Ganges bridge)	76,416	...	...	...	76,416	76,416	...	
South Indian	15,27,44,998	91,81,574	45,10,000	31,40,000	16,95,76,572	16,95,76,572	...	
Tinnevelly Quilon (British Section) .	44,19,271	237	*—49,000*	26,000	43,96,508	43,96,508	...	
Ditto (Native State Section) .	1,18,22,922	984	2,000	34,000	1,18,59,906	1,18,59,906	...	
Tirhoot Railway and Extensions .	7,74,34,116	15,02,323	6,36,000	80,000	7,96,52,439	7,96,52,439	...	
Chemical Laboratory, Kalimati . .	77,499	6,020	8,000	...	91,519	91,519	...	
„ „ Alipur . . .	44,090	51,523	10,000	...	1,05,613	1,05,613	...	
Warora Colliery	10,98,766	*—4,573*	...	...	10,94,193	10,94,193	...	
Total Open Lines .	3,29,10,58,649	14,12,39,908	14,45,87,000	9,90,11,000	3,67,58,96,557	3,67,58,96,557	...	

Appendix—*continued.*

Railways.	To end of 1912-1913.	Accounts, 1913-1914.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.	To end of 1915-1916.	Sanctioned Outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Total Open Lines brought forward .	3,29,10,58,649	14,12,39,908	14,45,87,000	9,90,11,000	3,67,58,96,557	3,67,58,96,557	...	
Lines under construction.								
Bokharo-Ramgarh Extension (East Indian Railway share)	4,25,729	4,53,466	1,86,000	93,000	11,58,195	50,01,852*	38,43,657	* This represents total sanctioned estimate of both sections I and II which are being constructed as joint lines of the East Indian and the Bengal Nagpur Railways.
Burdwan-Howrah	...	12,13,184	31,82,000	23,50,000	67,45,184	65,50,266	—1,94,918	
Itarsi-Nagpur and branch to Pench Valley Coalfields	1,65,89,401	39,79,228	32,50,000	50,00,000	2,88,18,629	3,37,05,415	48,86,786	
Laki-Pezu Tank	4,06,394	6,69,947	8,50,000	7,70,000	26,96,341	24,20,857	—2,75,484	
Lower Ganges Bridge Project . .	2,79,57,013	79,35,809	36,35,000	2,00,000	3,97,27,822	4,76,68,863	79,41,041	
Rajabhatkhawa-Dalsingpara . .	7,47,159	1,98,119	1,32,000	...	10,77,278	11,27,052	49,774	
Roserah-Shakarpura-Khagaria . .	12,65,815	5,84,143	3,74,000	1,00,000	23,23,958	26,19,232	2,95,274	
Southern Shan States	97,96,426	34,99,359	20,67,000	15,00,000	1,68,62,785	1,98,43,996†	29,81,211	† Work proceeding up to Aungban, for which the sanctioned estimate amounts to Rs. 1,42,23,372.
Dholka Dhanduka	...	...	...	5,00,000	5,00,000	... ‡	—5,00,000	‡ Estimates have not yet been sanctioned.
Panruti-Trichinopoly	...	...	...	15,00,000	15,00,000	... ‡	—15,00,000	
Vishnupur-Santragachi . . .	...	...	...	15,00,000	15,00,000	... ‡	—15,00,000	
Total Lines under construction .	5,71,87,937	1,85,33,255	1,36,76,000	1,35,13,000	10,29,10,192	11,89,37,533	1,60,27,341	
Total Open Lines, carried over	3,29,10,58,649	14,12,39,908	14,45,87,000	9,90,11,000	3,67,58,96,557	3,67,58,96,557	...	

Appendix—*continued.*

Railways.	To end of 1912-1913.	Accounts, 1913-1914.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.	To end of 1915-1916.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Total Open Lines, brought forward .	3,29,10,58,649	14,12,39,908	14,45,87,000	9,90,11,000	3,67,58,96,557	3,67,58,96,557	...	
Total Lines under Construction, brought forrw ard	5,71,87,937	1,85,33,255	1,36,76,000	1,35,13,000	10,29,10,192	11,89,37,533	1,60,27,341	
Lines in abeyance or Transferred to Companies, etc.								
Bellary-Kistna	1,65,78,416	...	...	...	1,65,78,416	1,65,78,416	...	
Bilaspur-Etawah	75,132	...	...	...	75,132	75,132	...	
Nagpur-Chhattisgarh (Depreciation Account).	6,57,038	...	...	...	6,57,038	6,57,038	...	
Ranaghat-Bhagwangola . . .	3,02,450	...	...	...	3,02,450	3,02,450	...	
Southern Mahratta (Depreciation on works, etc.)	5,27,071	...	...	...	5,27,071	5,27,071	...	
Umaria Colliery	1,82,672	...	...	...	1,82,672	1,82,672	...	
Vizagapatam-Raipur	2,45,035	...	...	...	2,45,035	2,45,035	...	
Total Lines in abeyance, etc. .	1,85,67,814	...	...	...	1,85,67,814	1,85,67,814	...	
Stores	27,45,664	—24,45,972	...	...	2,99,692	2,99,692	...	
Payments to Bengal Nagpur Railway Company for Capital Stock respecting which the holders exercised the option of transfer to the Secretary of State for India.	...	70,665	...	...	70,665	70,665	...	
Reserve	...	...	...	20,62,000	20,62,000	20,62,000	...	
GRAND TOTAL .	3,36,95,60,064	15,73,97,856	15,82,63,000	11,45,86,000	3,79,98,06,920	3,81,58,34,261	1,60,27,341	

Appendix—*continued.*

Railways.	To end of 1912-1913.	Accounts, 1913-1914.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.	To end of 1915-1916.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Grand Total, brought forward .	3,36,95,60,064	15,73,97,856	15,82,63,000	11,45,86,000	3,79,98,06,920	3,81,58,34,261	1,60,27,341	
Distributed as under—								
Capital Expenditure on Railways (not charged to Revenue)—								
State Railways —Construction* .	2,30,57,78,624	15,72,48,001	15,82,61,000	11,45,66,000	2,73,58,53,625			
Redemption of Liabilities† . .	90,75,31,543	...	...	...	90,75,31,543			
Famine Relief and Insurance—								
Protective Railways . . .	7,86,22,691	1,28,642	—22,000	...	7,87,29,333			
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	5,45,35,712	...	...	...	5,45,35,712			
Conetruction of Railways (charged to Provincial Revenues).	74,42,891	21,213	24,000	20,000	75,08,104			
Other Expenditure charged against Revenue.	1,56,48,603	...	...	...	1,56,48,603			
Total as above .	3,36,95,60,064	15,73,97,856	15,82,63,000	11,45,86,000	3,79,98,06,920	3,81,58,34,261	1,60,27,341	

* Includes debentures raised by Companies—

Bombay, Baroda and Central India Railway	1,43,90,464	...	4,50,000	.....	1,48,40,464
East Indian Railway	21,88,09,015	...	.....	5,25,00,000	27,13,09,015
Great Indian Peninsula Railway . . .	4,87,97,364	...	.....	4,50,00,000	9,37,97,364
South Indian Railway	2,27,07,237	...	3,44,28,000	.....	5,71,35,237
Capital contributed by the Jaipur Durbar towards outlay on the Nagda Muttra Railway.	10,00,000	30,00,000	10,00,000	10,00,000	60,00,000
Bombay, Baroda and Central India Railway Contribution from Provident Fund.	2,00,000	5,20,000	6,35,000	5,00,000	18,55,000
Total .	30,59,04,080	35,20,000	3,65,13,000	9,90,00,000	44,49,37,080

† Rs.

Bombay, Baroda and Central India Railway	18,72,06,696
East Indian Railway	18,65,98,229
Eastern Bengal Railway	3,10,54,458
Great Indian Peninsula Railway	8,88,35,250
Madras and Southern Mahratta Railway	3,21,72,000
North Western Railway	7,86,74,320
Oudh and Rohilkhand Railway	15,50,40,735
South Indian Railway	7,03,88,355
Indian Midland Railway	8,85,61,500
Total .	90,75,31,543

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Capital Expenditure on Irrigation Major Works in 1913-14, and Estimated Expenditure on such works in 1914-15, and 1915-16, and to the end of 1915-16.

	Actual outlay to end of 1912-13.	Accounts, 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.	Total actual and estimated outlay to end of 1915-16.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
PRODUCTIVE WORKS. CAPITAL EXPENDITURE NOT CHARGED TO REVENUE.	R	R	R	R	R	R	R
Central Provinces.							
Wainganga Canal	4,54,058	7,58,397	9,33,000	9,96,000	31,41,455	36,88,045	5,46,590
Mahanadi Canal	6,95,392	13,58,167	15,08,000	18,12,000	53,73,559	96,09,475	42,35,916
Asola Mendha Tank	13,18,739	1,39,486	1,22,000	1,32,000	17,12,225	17,30,346	18,121
Burma.							
Mandalay Canal	52,16,006	3,24,978	3,53,000	1,70,000	60,63,984		
Shwebo Canal	57,25,024	—16,667	34,000	—12,000	57,30,357		
Mon Canal	52,27,576	67,027	78,000	1,30,000	55,02,603		
Ye-u Canal	15,90,238	4,50,543	6,11,000	6,37,000	32,88,781	48,04,988	15,16,207
Twante Canal	37,32,595	10,66,415	7,52,000	8,00,000	63,51,010	98,86,218	25,35,208
Bengal.							
Midnapur Canal	83,08,952	180	...	13,000	83,22,132		
Hijili Tidal Canal	25,50,805	...	...	...	25,50,805		
Bihar.							
Orissa Canals	2,62,45,222	1,24,071	90,000	24,000	2,64,83,293		
Sone Canal	2,58,91,493	30,864	30,000	30,000	2,59,82,357		
United Provinces.							
Ganges Canal, including Mat and Hathras Branches	3,34,07,138	10,42,151	9,06,000	9,72,000	3,63,27,289		
Lower Ganges Canal	3,87,91,488	23,678	18,000	18,000	3,88,51,166		
Agra Canal	1,12,01,696	57,047	1,15,000	77,000	1,14,50,743	1,15,42,103	91,360
Eastern Jumna Canal	47,86,247	46,280	22,000	47,000	49,01,527		
Dun Canal*	13,42,119	—5,008	7,000	15,000	13,59,111		
Bijnor Canal*	2,87,048	18,434	6,000	6,000	3,17,482		
Gorai Canal	1,879	86,172	2,26,000	2,12,000	5,26,051	5,79,420	53,369
Punjab.							
Western Jumna Canal	1,66,67,680	1,28,865	75,000	3,00,000	1,71,71,545		
Upper Bari Doab Canal	2,04,84,374	2,28,046	6,20,000	5,50,000	2,18,82,420		
Lower ditto	1,63,25,698	20,40,626	14,51,000	11,28,000	2,09,45,324	2,16,69,940	7,24,616
Sirhind Canal	2,40,92,170	98,149	4,50,000	3,48,000	2,49,88,319		
Upper Chenab Canal	2,87,82,373	19,55,334	16,44,000	13,50,000	3,37,31,707	3,61,31,583	23,99,876
Lower ditto	3,01,77,166	2,66,420	4,50,000	5,00,000	3,13,93,586		
Upper Jhelum Canal	3,08,10,171	51,53,607	32,50,000	21,00,000	4,13,13,778	4,29,40,282	16,26,504
Lower ditto	1,55,77,782	226	50,000	1,00,000	1,57,28,008	1,83,95,782	26,67,774
Indus Inundation Canals	26,98,704	44,099	4,000	10,000	27,56,803		
North-West Frontier Province.							
Paharpur Inundation Canal	9,05,444	...	...	...	9,05,444	9,13,004	7,560
Upper Swat River Canal	1,13,90,255	34,27,594	26,45,000	13,90,000	1,88,52,849		
Lower ditto	41,32,029	2,149	3,000	10,000	41,47,178		
Kabul River Canal*	10,68,576	33,583	2,000	...	11,04,159	11,10,249	6,090
Madras.							
Godavari Delta System	1,25,33,104	1,26,294	82,000	1,66,000	1,29,07,398	1,32,19,221	3,11,823
Kistna Delta System	1,50,18,409	12,298	1,14,000	68,000	1,52,12,707	1,54,89,071	2,76,364
Penner River Canals System	56,51,471	22,515	13,000	12,000	56,98,986	57,00,408	1,422
Periyar Project	1,01,61,363	44,290	53,000	29,000	1,02,87,653	1,02,98,832	11,179
Cauvery Delta System	38,96,875	50,525	81,000	87,000	41,15,400	41,54,023	38,623
Kurnool Cuddapah Canal	2,26,08,864	7,763	45,000	64,000	2,27,25,627	2,30,20,029	2,94,402
Nagavalli River Project	15,35,494	31,306	42,000	46,000	16,54,800	17,55,412	1,00,612
Divi Island Project	18,38,062	5,782	20,000	39,000	19,02,844	20,77,665	1,74,821
Lower Coleroon Anicut*	18,24,397	—984	...	...	18,23,413		
Shatiatope Anicut *	8,83,305	23,534	...	...	9,06,839		
Toludur Project	...	28,926	3,10,000	6,57,000	9,95,926	22,13,000	12,17,074
Bombay.							
Desert Canal	26,40,891	...	...	...	26,40,891	26,91,689	50,798
Begari Canal	22,61,724	13,217	93,000	84,000	24,51,941	25,30,982	79,041
Eastern Nara Works	65,82,484	2,330	4,000	1,85,000	67,73,814	69,31,165	1,57,351
Jamrao Canal	81,47,933	23,871	17,000	—5,000	81,33,804	83,53,288	1,74,484
Dad Canal	24,20,982	44,756	75,000	10,000	25,50,738	29,07,389	3,56,651
Mutha Canal	74,01,972	1,179	1,000	...	74,04,151	...	...
Sukkur Barrage and Rohri Canal Project	...	—284	...	...	—284	...	...
Other Projects	1,49,14,427	73,316	2,02,000	2,38,000	1,54,27,743		
Reserve	...	...	...	10,53,000	10,53,000		
Total Productive Works	50,02,07,894	1,94,61,547	1,76,07,000	1,65,98,000	55,38,74,441		
Carried over	50,02,07,894	1,94,61,547	1,76,07,000	1,65,98,000	55,38,74,441		

* Transferred to "49" from 1st April 1907.

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Capital Expenditure on Irrigation Major Works in 1913-14, and Estimated Expenditure on such works in 1914-15, and 1915-16, and to the end of 1915-16.

	Actual outlay to end of 1912-1913.	Accounts, 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.	Total actual and estimated outlay to end of 1915-16.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
	R	R	R	R	R	R	R
Brought forward	50,02,07,894	1,94,61,547	1,76,07,000	1,65,98,000	55,38,74,441		
PROTECTIVE WORKS.							
Central Provinces.							
Tindula Canal	21,77,349	14,25,838	10,88,000	11,41,000	58,32,187	95,73,587	37,41,400
Tank Projects	73,45,412	4,30,915	6,70,000	6,72,000	91,18,327		
Bihar.							
Tribeni Canal	66,27,136	4,50,607	1,78,000	1,85,000	74,40,743	78,49,661	4,08,918
United Provinces.							
Betwa Canal (including Dukwa weir)	78,58,908	61,153	26,000	31,000	79,77,061	79,99,553	22,492
Ken Canal	49,77,586	2,95,038	2,78,000	2,87,000	58,37,624	74,52,886	16,15,262
Dassan Canal	44,12,397	1,50,982	62,000	35,000	46,60,379		
Ghaggar Canal	2,57,096	6,00,128	6,78,000	5,80,000	21,15,224	33,22,950	12,07,726
Ghori Nadi Scheme	2,79,004	54,176	73,000	...	4,06,180		
Majhgawan Tank	24,279	1,97,157	76,000	13,000	3,10,436		
Madras.							
Rushikulya Project	46,39,233	17,668	14,000	...	46,70,901	46,87,980	17,079
Mopad Project	5,74,809	2,13,610	3,29,000	3,52,000	14,69,419	20,53,877	5,84,458
Venkatapuram Tank Project	2,43,174	67,252	32,000	3,000	3,45,426		
Bombay.							
Godaveri Canal	81,02,413	5,37,188	4,31,000	2,67,000	93,37,631		
Chankapur Tank	16,71,077	38,910	60,000	49,000	18,18,987		
Nira Canal (including Shetphal Tank)	60,81,499	10,740	4,000	1,000	60,97,239	64,86,344	3,89,105
Budhihal Tank	4,90,039	456	...	...	4,90,495	13,98,529	9,08,034
Pravara River Project	31,60,676	9,86,744	8,81,000	10,53,000	60,81,420	81,36,368	20,54,948
Nira Right Bank Canal	5,96,556	26,77,914	32,27,000	32,00,000	97,01,470	2,49,71,868	1,52,70,398
Other Projects.	41,05,687	1,03,794	1,67,000	2,76,000	46,52,481		
Probable savings	...	...	...	*—10,00,000*	*—10,00,000*		
Total Protective works	6,36,24,360	83,20,270	82,74,000	71,45,000	8,73,63,630		
Grand Total, Major Works	56,38,32,254	2,77,81,817	2,58,81,000	2,37,43,000	64,12,38,071		
Distributed as under—							
(1) Capital expenditure on Irrigation (not charged to revenue)	48,25,14,550	1,92,33,925	1,74,46,000	1,65,00,000	53,56,94,475		
(2) Famine Relief and Insurance—Protective Irrigation Works	6,39,00,769	83,20,270	82,74,000	71,45,000	8,76,40,039		
(3) Other outlay from ordinary revenues	1,74,16,935	2,27,622	1,61,000	98,000	1,79,03,557		
GRAND TOTAL AS ABOVE	56,38,32,254	2,77,81,817	2,58,81,000	2,37,43,000	64,12,38,071		

Appendix—*continued.*

Commercial and Financial Statistics.

Table IV.—Gross traffic receipts, working expenses, and net traffic receipts of State Railways for five years ending 1913-1914, with Revised Estimates for 1914-1915 and Budget Estimates for 1915-1916.

(Omitting 000, except in accounts.)

State Railways.	Accounts.					Revised Estimate, 1914-1915.	Budget Estimate, 1915-16.
	1909-1910.	1910-1911.	1911-1912.	1912-1913.	1913-1914.		
	M.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
Open mileage at beginning of year	*24,066	*24,604	*24,873	*25,200	25,437	26,106	26,379
Gross Traffic Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial.							
Assam-Bengal	49,62,475	52,65,372	57,94,913	66,32,724	70,40,639	68,00	70,00
Bengal-Nagpur	2,91,40,430	3,09,98,814	3,43,74,985	4,03,42,071	4,10,31,142	4,05,00	4,05,00
Bezwada Extension	3,12,154	3,42,614	3,54,266	3,84,244	2,94,855	4,40	4,40
Bombay, Baroda and Central India System	5,00,31,701	5,46,93,694	6,01,33,008	6,40,21,332	6,58,93,295	6,25,00	6,15,00
Burma	1,82,14,382	1,86,56,276	1,96,08,933	2,07,76,957	2,23,60,428	2,15,00	2,14,00
Burma Railway Extensions	11,83,592	13,33,726	14,68,975	17,32,205	21,84,418	17,40	19,00
Southern Shan States	...	...	...	16,887	33,020	60	60
Eastern Bengal	2,78,33,207	2,87,32,327	3,19,58,673	3,51,18,860	3,73,92,387	3,25,00	3,31,00
East Indian	8,08,60,767	8,79,77,711	9,24,96,744	10,25,72,586	10,17,07,428	10,36,00	10,15,00
Great Indian Peninsula including Indian Midland	6,58,01,734	6,72,19,252	7,46,52,396	7,94,91,613	8,55,08,945	7,60,00	7,50,00
Agra-Delhi Chord	14,74,866	17,65,732	20,67,879	28,98,758	23,09,274	31,00	26,00
Bhopal	4,68,717	5,70,168	5,58,428	9,21,470	7,05,991	4,80	5,00
Baran-Kotah	48,152	1,03,829	1,58,809	2,28,678	1,77,507	1,40	1,50
Cawnpore-Banda	...	...	...	...	...	80	3,00
Jodhpur-Hyderabad (British Section)	8,38,085	9,11,724	12,63,365	13,81,799	13,36,295	10,00	12,00
Lucknow-Bareilly	16,09,764	18,55,706	20,14,664	21,63,009	23,56,789	20,00	20,00
North Western	7,13,05,408	7,36,47,723	8,23,59,967	8,82,12,116	8,69,96,146	8,20,00	8,20,00
Oudh and Rohilkhand	1,60,65,818	1,90,73,555	2,13,76,309	2,43,64,792	2,40,89,233	2,05,00	2,02,00
Hardwar-Dehra	3,79,351	3,94,918	4,54,183	4,45,053	4,85,346	4,50	4,50
Madras and Southern Maharatta Railway	2,99,76,511	3,09,39,822	3,40,03,129	3,63,50,208	3,81,21,165	3,74,00	3,70,00
Mysore State lines	28,65,053	28,68,732	31,36,594	36,75,718	38,25,763	37,00	36,00
Dhone-Kurnool	1,20,354	98,234	1,16,729	1,19,518	1,23,739	1,00	1,00
South Indian	2,18,74,339	2,29,00,546	2,53,82,260	2,75,45,053	2,80,67,080	2,73,00	2,75,00
Tinnevelly-Quilon	6,45,739	7,03,544	7,79,707	8,25,023	9,03,391	8,85	8,00
Tirhoot	77,47,023	82,93,536	90,52,105	99,47,877	1,01,20,998	97,00	92,00
Total Imperial	43,37,59,622	45,93,47,555	50,35,67,021	55,01,68,551	56,30,64,774	53,44,75	53,00,00
Provincial.							
Jorhat	95,895	95,331	1,16,465	1,22,589	1,23,805	1,15	1,20
Total India*	43,38,55,517	45,94,42,886	50,36,83,486	55,02,91,140	56,31,88,579	53,45,90	53,01,20
England.							
Bengal-Nagpur	...	...	...	...	...	3	
East Indian	3,450	3,450	3,450	4,313	3,450	3	3
Total England	3,450	3,450	3,450	4,313	3,450	6	6
Grand Total	43,38,58,967	45,94,46,336	50,36,86,936	55,02,95,453	56,31,92,029	53,45,96	53,01,26

* Revised.

Appendix—*continued.*

State Railways.	Accounts.					Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
	1909-1910.	1910-1911.	1911-1912.	1912-1913.	1913-1914.		
Net Traffic Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial.							
Assam-Bengal	4,94,350	8,45,408	12,57,471	19,64,044	22,73,989	16,50	19,50
Bengal-Nagpur	1,36,47,536	1,44,86,622	1,74,64,289	2,18,70,125	2,14,58,253	2,03,78	1,95,45
Bezwáda Extension	1,52,555	1,58,253	1,40,816	1,84,265	1,18,623	2,00	2,20
Bombay, Baroda and Central India System	2,49,51,007	2,74,38,715	3,01,59,693	3,15,88,376	3,30,34,621	2,94,84	2,91,53
Burma Railways	64,68,423	67,77,771	74,00,623	85,64,888	1,05,71,446	91,80	94,00
Burma Railway Extensions	4,37,263	4,75,797	5,88,105	7,16,009	10,16,827	5,40	7,50
Southern Shan States	...	...	...	11,562	—6,046	—*20*	—*16*
Eastern Bengal	97,46,010	1,19,17,258	1,34,25,030	1,39,12,400	1,68,52,302	1,04,87	1,19,22
East Indian	4,93,30,507	5,32,88,010	5,46,40,364	6,40,08,215	6,02,98,231	6,29,25	5,96,25
Great Indian Peninsula including Indian Midland	2,97,39,971	2,80,73,472	3,44,50,025	3,42,34,876	3,38,80,004	2,68,65	2,58,23
Agra-Delhi Chord	6,22,197	7,52,602	8,63,294	13,29,173	9,21,034	11,04	12,10
Bhopal	1,98,456	2,47,994	2,50,159	4,15,136	2,78,970	1,45	1,69
Baran-Kotah	23,181	52,720	79,404	1,16,522	88,753	70	80
Cawnpore-Banda	...	...	...	...	....	43	1,28
Jodhpur-Hyderabad (British Section)	3,57,984	4,03,909	7,00,730	7,35,460	6,67,118	4,00	5,00
Lucknow-Bareilly	7,01,574	10,61,844	10,69,870	12,08,886	13,33,090	10,50	10,00
North Western	1,95,14,073	2,93,75,345	3,54,74,591	3,82,80,358	3,74,26,579	3,01,00	3,01,20
Oudh and Rohilkhand	64,46,386	96,62,892	1,15,54,500	1,33,17,987	1,23,35,988	88,00	89,15
Hardwar-Dehra	1,89,676	1,97,459	2,27,092	2,22,527	2,42,673	2,25	2,25
Madras and Southern Mahratta Railway	1,15,84,523	1,22,69,874	1,49,99,815	1,64,01,192	1,65,99,363	1,59,60	1,60,00
Mysore State lines	11,77,386	11,09,924	13,34,865	16,48,844	16,54,915	15,50	14,50
Dhone-Kurnool	41,800	33,999	24,719	44,828	44,871	25	36
South Indian	1,03,68,773	1,07,98,900	1,24,87,158	1,28,03,027	1,18,03,549	1,12,70	1,22,31
Tinnevelly-Quilon	2,92,219	3,29,722	3,47,738	3,69,783	3,55,801	2,45	2,76
Tirhoot	41,55,194	48,15,464	57,65,053	60,73,311	63,12,137	58,00	53,00
Reserve	...	...	...	...	...	—*2,14*	—*46,10*
Total Imperial	19,06,41,044	21,45,73,954	24,47,05,404	27,00,21,794	26,95,63,091	23,82,62	23,14,00
Provincial.							
Jorhat	—289	14,505	32,358	38,043	34,306	8	24
Total India	19,06,40,755	21,45,88,459	24,47,37,762	27,00,59,837	26,95,97,397	23,82,70	23,14,24
England.							
Bengal-Nagpur	...	...	...	...	...	3	3
East Indian	3,450	3,450	3,450	4,313	3,450	3	3
Total England	3,450	3,450	3,450	4,313	3,450	6	6
Grand Total	19,06,44,205	21,45,91,909	24,47,41,212	27,00,64,150	26,96,00,847	23,82,76	23,14,30

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1913-14, with Revised Estimates for 1914-15, and Budget Estimates for 1915-16.

	Actuals.					Revised Estimate, 1914-15	Budget Estimate, 1915-16.
	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
DIRECT RECEIPTS—							
Mandalay canal	2,91,443	2,86,156	2,94,909	3,13,630	3,14,862	3,10,000	3,00,000
Shwebo canal	5,19,267	5,34,592	6,20,521	6,19,968	6,73,000	6,60,000	6,60,000
Midnapore canal	2,02,123	2,07,396	2,15,470	2,20,782	2,10,152	2,09,000	2,03,000
Hijili Tidal canal	63,742	55,357	62,657	53,136	36,427	31,000	37,000
Orissa canals	5,27,884	5,17,673	5,37,234	5,36,457	5,20,053	5,44,000	5,50,000
Sone canals	18,95,202	17,69,789	16,95,488	17,18,502	19,61,859	17,10,000	18,44,000
Ganges canal (including Hathras Branch)	37,41,594	35,28,071	34,48,523	35,55,282	38,86,390	40,22,000	38,95,000
Lower Ganges canal	23,85,462	26,54,428	27,91,733	23,39,516	29,48,277	33,10,000	26,45,000
Ditto Fatehpur Branch	3,45,349						
Agra canal	8,02,427	7,40,050	6,60,252	7,38,129	8,48,157	8,33,000	7,66,000
Eastern Jumna canal	14,53,383	12,64,610	12,30,994	11,93,475	14,87,717	15,38,000	13,58,000
† Dun canal	1,16,223	1,15,654	1,00,842	96,716	1,17,472	1,21,000	1,06,000
† Bijnor canal	30,111	31,605	27,888	34,147	37,073	45,000	30,000
Betwa canal	2,86,365	1,83,900	2,28,513	1,53,476	2,44,791	1,10,000	1,95,000
Western Jumna canal	21,64,690	20,67,901	23,50,104	27,36,295	33,15,029	30,00,000	30,00,000
Upper Bari Doab canal	35,33,808	35,80,939	38,33,926	43,46,274	43,06,606	40,00,000	40,50,000
Sirhind canal	21,04,786	20,23,490	30,60,221	46,01,159	40,52,176	39,00,000	38,00,000
Lower Chenab canal	84,95,508	90,10,924	86,28,091	92,75,472	84,24,935	83,00,000	85,00,000
Lower Jhelum canal	21,04,205	23,14,947	22,77,355	26,83,017	27,59,425	27,30,000	27,50,000
Indus Inundation canals	1,78,155	1,72,463	2,76,057	2,28,192	2,37,866	2,30,000	2,00,000
Lower Swat River canal	5,67,754	5,44,662	5,50,387	6,17,160	6,20,190	6,12,000	6,25,000
Kabul River canal	1,63,762	1,56,353	1,45,008	1,75,901	1,86,660	2,03,000	1,90,000
Godavari Delta system	1,27,098	1,29,856	1,25,557	1,35,736	1,24,184	1,74,000	1,30,000
Kistna „ „	88,683	88,473	82,943	92,605	97,152	87,000	90,000
Cauvery „ „	4,549	6,000	4,576	6,441	4,589	5,000	4,000
Penner River canals	2,074	3,274	3,028	3,326	4,734	4,000	4,000
Periyar project	10,241	13,803	8,785	12,234	5,804	7,000	7,000
Rushikulya project	2,777	1,309	1,473	1,456	1,586	2,000	2,000
Lower Coleroon anicut system	2,320	2,187	1,281	2,021	2,435	2,000	1,000
Shatiatope anicut „	815	498	701	574	901	1,000	...
Desert canal	1,01,774	91,208	85,707	96,142	86,359	87,000	90,000
Begari „	43,131	35,717	10,826	10,723	36,288	41,000	41,000
Eastern Nara works	23,572	23,572	26,486	20,608	18,719	17,000	20,000
Jamrao canal	20,238	27,066	29,310	28,919	57,856	28,000	28,000
Mutha canals	3,54,618	3,96,247	4,33,565	3,59,687	3,91,756	3,70,000	3,50,000
Nira canal	4,01,109	3,20,314	4,36,893	5,04,980	5,42,333	5,24,000	4,93,000
Other projects	14,49,919	14,20,214	14,35,679	16,00,030	29,25,372	33,06,000	43,98,000
TOTAL	3,46,06,161	3,43,20,758	3,57,22,988	3,91,12,179	4,14,89,485	4,10,73,000*	4,13,62,000*
PORTION OF LAND REVENUE DUE TO IRRIGATION—							
Mandalay canal	53,648	51,637	51,713	53,341	52,604	53,000	53,000
Shwebo canal	42,934	65,758	86,540	1,17,105	1,26,718	1,39,000	1,50,000
Ganges canal	9,29,409	9,35,716	9,43,958	9,52,179	9,62,748	9,62,000	9,62,000
Lower Ganges canal	4,29,702	4,43,493	4,58,555	4,73,573	4,95,868	4,96,000	4,96,000
Ditto Fatehpur Branch	388						
Eastern Jumna Canal	2,53,952	2,53,952	2,53,952	2,53,952	2,53,952	2,54,000	2,54,000
† Dun canal	24,980	24,980	24,980	24,980	24,980	25,000	25,000
† Bijnor canal	14,984	14,984	14,984	14,984	14,984	15,000	15,000
Carried over	17,49,997	17,90,520	18,34,682	18,90,114	19,31,854	19,44,000	19,55,000

* Excluding Civil Officer's figures as under :—

	Revised.	Budget.
	R	R
United Provinces	1,75,000	1,75,000
Punjab	5,000	1,000
Total	1,80,000	1,76,000

† Transferred to 49, from 1st April 1907.

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1913-14, with Revised Estimates for 1914-15, and Budget Estimates for 1915-16—*continued.*

	Actuals.					Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
PORTION OF LAND REVENUE DUE TO IRRIGATION—*contd.*							
Brought forward	17,49,997	17,90,520	18,34,682	18,90,114	19,31,854	19,44,000	19,55,000
Western Jumna canal	130	2,75,586	2,23,412	2,22,604	2,21,397	2,25,000	2,25,000
Upper Bari Doab canal	3,25,331	3,25,187	3,26,150	3,38,432	5,91,597	5,00,000	6,00,000
Sirhind Canal	...	...	...	9,722	35,437	35,000	35,000
Lower Chenab canal	16,99,083	17,07,676	41,42,468	53,93,437	70,56,188	69,60,000	73,00,000
Lower Jhelum canal	4,03,369	4,93,381	4,87,614	15,37,592	15,47,514	15,50,000	15,60,000
Indus Inundation canals	2,74,563	2,72,619	2,78,279	2,68,036	2,67,940	2,70,000	2,70,000
Lower Swat River canal	50,376	50,568	50,601	50,596	50,652	51,000	51,000
† Kabul River canal	5,436	5,649	14,869	10,803	11,875	10,000	11,000
Godavari Delta System	34,04,419	33,75,550	38,02,481	38,98,412	37,64,330	37,93,000	37,93,000
Kistna „ „	32,62,547	32,92,091	33,31,473	33,84,867	34,90,756	34,20,000	34,53,000
Cauvery „ „	9,37,519	9,40,219	9,97,224	10,13,223	9,74,332	9,92,000	9,92,000
Penner River canals	4,08,308	5,79,763	5,38,177	5,85,754	5,38,303	5,38,000	5,81,000
Periyar project	5,34,958	5,34,393	5,49,381	5,65,553	5,68,296	5,66,000	5,77,000
Rushikulya Project	1,16,318	1,36,833	1,45,808	1,63,915	1,89,488	1,90,000	1,90,000
† Lower Coleroon anicut system	2,81,959	2,78,803	2,79,648	2,84,214	2,71,658	2,83,000	2,83,000
† Shatiatope anicut „	1,00,733	1,01,874	1,03,736	1,02,813	87,694	1,04,000	1,04,000
Desert canal	2,29,577	2,51,332	2,09,297	2,39,402	2,26,053	2,40,000	2,50,000
Begari „	4,80,083	4,57,215	1,53,850	1,86,310	4,78,371	5,00,000	5,04,000
Eastern Nara Works	5,28,887	5,88,428	6,13,899	6,19,328	5,82,075	6,25,000	6,21,000
Jamrao canal	5,57,629	6,42,662	6,68,637	7,76,269	7,39,999	6,52,000	6,52,000
Mutha canal	*—10,117*	*—12,088*	*—14,020*	*—9,168*	*—11,646*	...	...
Nira canal	*—19,764*	*—15,768*	*—21,638*	*—25,021*	*—26,702*	...	...
Other projects	14,39,479	15,97,585	15,55,889	15,61,460	16,78,153	20,10,000	21,36,000
TOTAL	1,67,60,820	1,76,70,078	2,02,71,977	2,30,73,667	2,52,65,614	2,54,58,000	2,61,43,000
TOTAL REVENUE—							
Mandalay canal	3,45,091	3,37,793	3,46,622	3,66,971	3,67,466	3,63,000	3,53,000
Shwebo canal	5,62,201	6,00,350	7,07,061	7,37,073	7,99,718	7,99,000	8,10,000
Midnapur canal	2,02,123	2,07,396	2,15,470	2,20,782	2,10,152	2,09,000	2,03,000
Hijili Tidal canal	63,742	55,357	62,657	53,136	36,427	31,000	37,000
Orissa canals	5,27,884	5,17,673	5,37,234	5,36,467	5,20,053	5,44,000	5,50,000
Sone canals	18,95,202	17,69,789	16,95,488	17,18,503	19,61,859	17,10,000	18,44,000
Ganges canal (including Hathras Branch)	46,71,003	44,63,787	43,92,481	45,07,461	48,49,138	49,84,000	48,57,000
Lower Ganges canal	28,15,164	30,97,921	32,50,288	28,13,089	34,44,145	38,06,000	31,41,000
Ditto Fatehpur Branch	3,45,737						
Agra canal	8,02,427	7,40,050	6,60,252	7,38,129	8,48,157	8,33,000	7,66,000
Eastern Jumna canal	17,07,335	15,18,562	14,84,946	14,47,427	17,41,669	17,92,000	16,12,000
† Dun canal	1,41,203	1,40,634	1,25,822	1,21,696	1,42,452	1,46,000	1,31,000
† Bijnor canal	45,095	46,649	42,872	49,131	52,057	60,000	45,000
Betwa canal	2,86,365	1,83,900	2,28,513	1,53,476	2,44,791	1,10,000	1,95,000
Western Jumna canal	21,64,820	23,43,487	25,73,516	29,58,899	35,36,426	32,25,000	32,25,000
Upper Bari Doab canal	38,59,139	39,06,126	41,60,076	46,84,706	48,98,203	45,00,000	46,50,000
Sirhind canal	21,04,786	20,23,490	30,60,221	46,10,881	40,87,613	39,35,000	38,35,000
Lower Chenab canal	1,01,94,591	1,07,18,600	1,27,70,559	1,46,73,909	1,54,81,123	1,52,60,000	1,58,00,000
Lower Jhelum canal	25,07,574	28,08,328	27,64,969	42,20,609	43,06,939	42,80,000	43,10,000
Indus Inundation canals	4,52,718	4,45,082	5,54,336	4,96,228	5,05,806	5,00,000	4,70,000
Lower Swat River canal	6,18,130	5,95,230	6,00,988	6,67,756	6,70,842	6,63,000	6,76,000
† Kabul river canal	1,69,198	1,62,002	1,59,377	1,86,704	1,98,535	2,13,000	2,01,000
Godavari Delta System	35,31,517	35,05,406	39,28,038	40,34,148	38,88,514	39,67,000	39,23,000
Kistna „ „	33,51,230	33,80,564	34,14,421	34,77,472	35,87,908	35,07,000	35,43,000
Carried over	4,33,64,275	4,35,68,176	4,77,36,707	5,34,74,653	5,63,79,993	5,54,37,000	5,51,77,000

† Transferred to 49, from 1st April 1907.

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1913-14, with Revised Estimates for 1914-15, and Budget Estimates for 1915-16—*continued.*

	Actuals.					Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TOTAL REVENUE—*concld.*							
Brought forward	4,33,64,275	4,35,68,176	4,77,36,707	5,34,74,653	5,63,79,993	5,54,37,000	5,51,77,000
Cauvery Delta System	9,42,068	9,46,219	10,01,800	10,19,664	9,78,921	9,97,000	9,96,000
Penner River canals	4,10,382	5,83,037	5,41,205	5,89,080	5,43,037	5,42,000	5,85,000
Periyar Project	5,45,199	5,48,196	5,58,166	5,77,787	5,73,900	5,73,000	5,84,000
Rushikulya Project	1,19,095	1,38,142	1,47,341	1,65,371	1,91,074	1,92,000	1,92,000
†Lower Coleroon anicut system	2,84,279	2,80,990	2,80,929	2,86,235	2,74,093	2,85,000	2,84,000
†Shatiatope anicut system	1,01,548	1,02,372	1,04,437	1,03,387	88,595	1,05,000	1,04,000
Desert canal	3,31,351	3,42,540	2,95,004	3,35,544	3,12,412	3,27,000	3,40,000
Begari „	5,23,214	4,92,932	1,64,676	1,97,033	5,14,659	5,41,000	5,45,000
Eastern Nara works	5,52,459	6,12,000	6,40,385	6,39,936	6,00,794	6,42,000	6,41,000
Jamrao canal	5,77,867	6,69,728	6,97,947	8,05,188	7,97,855	6,80,000	6,80,000
Mutha canal	3,44,501	3,84,159	4,19,545	3,50,519	3,80,110	3,70,000	3,50,000
Nira canal	3,81,345	3,04,546	4,15,255	4,79,959	5,15,631	5,24,000	4,93,000
Other Projects	28,89,398	30,17,799	29,91,568	31,61,490	46,04,025	53,16,000	65,34,000
TOTAL	5,13,66,981	5,19,90,836	5,59,94,965	6,21,85,846	6,67,55,099	6,65,31,000	6,75,05,000
WORKING EXPENSES—							
Mandalay canal	81,457	94,787	81,603	89,540	61,411	2,90,000	1,35,000
Shwebo canal	1,37,721	1,66,463	2,10,659	2,31,703	2,70,051	3,36,000	2,95,000
Midnapore canal	2,21,375	1,90,318	2,43,964	2,06,943	1,78,785	1,58,000	1,97,000
Hijili Tidal canal	55,740	74,508	33,122	28,774	1,19,004	1,00,000	70,000
Orissa canal	4,44,664	4,47,819	4,06,871	4,45,382	5,05,785	5,18,000	5,01,000
Sone canal	7,04,989	7,15,221	6,58,557	7,55,611	7,28,937	7,26,000	7,86,000
Ganges canal	12,97,630	11,86,609	12,22,142	11,10,827	11,91,519	9,79,000	9,48,000
Lower Ganges canal	10,08,748	11,18,824	10,39,189	10,14,594	10,17,056	9,82,000	9,96,000
„ Fatehpur Branch	1,34,651						
Agra canal	3,33,954	3,34,822	3,36,986	3,24,778	3,16,625	2,98,000	2,97,000
Eastern Jamna canal	4,33,584	4,38,285	4,05,534	3,62,687	3,59,446	3,69,000	3,57,000
†Dun canal	1,33,133	1,06,572	80,845	56,500	49,628	87,000	79,000
†Bijnor canal	21,395	21,303	26,698	28,065	25,788	24,000	22,000
Betwa canal	1,17,460	1,31,059	1,56,583	1,83,789	2,33,008	2,09,000	2,14,000
Western Jumna canal	10,61,811	10,43,129	11,49,041	10,87,704	12,94,029	12,57,000	14,04,000
Upper Bari Doab canal	13,24,386	13,26,549	16,32,005	17,11,363	14,46,549	13,57,000	14,04,000
Sirhind canal	8,28,628	8,45,564	9,29,748	9,92,932	11,39,195	11,56,000	11,04,000
Lower Chenab canal	23,37,425	22,67,303	23,70,127	24,24,855	21,96,088	20,07,000	21,56,000
Lower Jhelum canal	8,00,166	8,29,014	9,94,308	9,51,611	9,19,689	8,46,000	9,54,000
Indus Inundation canals	6,88,919	6,76,704	4,04,818	3,92,807	3,64,270	3,56,000	3,44,000
Lower Swat River canal	1,40,726	1,43,055	1,70,436	1,61,162	1,57,093	1,37,000	1,35,000
†Kabul River canal	72,283	97,600	1,07,147	96,918	1,04,830	1,00,000	1,15,000
Godavari Delta system	8,32,095	7,80,126	7,73,247	7,13,415	8,11,801	7,94,000	7,23,000
Kistna „ „	5,58,559	7,10,514	6,28,138	6,01,835	7,08,696	8,00,000	6,66,000
Cauvery „ „	1,17,419	1,87,852	1,20,350	1,24,157	1,36,941	2,00,000	1,57,000
Penner River canals	68,934	75,370	52,498	66,142	76,261	75,000	65,000
Periyar Project	1,35,374	1,14,356	1,30,707	1,33,174	1,60,813	1,17,000	1,23,000
Rushikulaya Project	48,383	36,767	44,334	34,309	65,471	60,000	35,000
†Lower Coleroon anicut system	60,021	92,123	88,904	56,476	59,062	1,34,000	50,000
†Shatiatope anicut system	20,343	25,551	30,594	20,541	32,915	58,000	30,000
Desert canal	1,13,096	1,37,454	1,39,730	1,42,071	1,34,374	95,000	1,38,000
Carried over	1,44,35,099	1,44,15,621	1,46,68,885	1,45,50,665	1,48,65,120	1,46,25,000	1,45,00,000

† Transferred to 49, from 1st April 1907.

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1913-14, with Revised Estimates for 1914-15, and Budget Estimates for 1915-16—*continued.*

	Actuals.					Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Brought forward .	1,44,35,099	1,44,15,621	1,46,68,885	1,45,50,665	1,48,65,120	1,46,25,000	1,45,00,000
Working Expenses—*concld.*							
Begari canal	79,377	1,80,608	1,30,759	2,90,714	2,62,116	1,87,000	1,38,000
Eastern Nara Works . . .	1,64,741	1,94,170	2,49,693	1,79,047	1,82,979	1,84,000	1,55,000
Jamrao canal	2,70,771	2,81,773	2,94,425	3,08,263	3,11,848	3,13,000	2,77,000
Mutha canals	1,04,492	99,945	96,886	1,08,291	1,08,799	1,24,000	1,11,000
Nira canal	70,048	74,003	77,769	91,881	87,668	99,000	1,31,000
Other projects	12,88,638	13,98,199	16,58,126	19,97,745	23,98,115	35,96,000	36,78,000
Reserve	...	...	...	...	...	...	63,000
Total .	1,64,13,166	1,66,44,319	1,71,76,543	1,75,26,606	1,82,16,645	1,91,28,000*	1,90,53,000*
Net Revenue							
Mandalay canal	2,63,634	2,43,006	2,65,019	2,77,431	3,06,055	73,000	2,18,000
Shwebo canal	4,24,480	4,33,887	4,96,402	5,05,370	5,29,667	4,63,000	5,15,000
Midnapur canal	*—19,252*	17,078	*—28,494*	13,839	31,367	51,000	6,000
Hijili Tidal canal	8,002	*—19,151*	29,535	24,362	*—82,577*	*—69,000*	*—33,000*
Orissa canals	83,220	69,854	1,30,363	91,085	14,268	26,000	49,000
Sone canals	11,90,213	10,54,568	10,36,931	9,62,892	12,32,922	9,84,000	10,58,000
Ganges canal (including Hathras Branch.)	33,73,373	32,77,178	31,70,339	33,96,634	36,57,619	40,05,000	39,09,000
Lower Ganges canal . . .	18,06,416	19,79,097	22,11,099	17,98,495	24,27,089	28,24,000	21,45,000
„ Fatehpur Branch . . .	2,11,086						
Agra canal	4,18,473	4,05,228	3,23,266	4,13,351	5,31,532	5,35,000	4,69,000
Eastern Jumna canal . . .	12,23,751	10,80,277	10,79,412	10,84,740	13,82,223	14,23,000	12,55,000
Dun canal	8,070	34,062	44,977	65,196	92,824	59,000	52,000
Bijnor canal	23,700	25,346	16,174	21,066	26,269	36,000	23,000
Betwa canal	1,68,905	52,841	71,930	*—30,313*	11,783	*—99,000*	*—19,000*
Western Jumna canal . . .	11,02,879	13,00,358	14,24,475	18,71,195	22,42,397	19,68,000	18,21,000
Upper Bari Doab canal . . .	25,34,753	25,79,577	25,28,071	29,73,343	34,51,654	31,43,000	32,46,000
Sirhind canal	12,76,158	11,77,926	21,30,473	36,17,949	29,48,418	27,79,000	27,31,000
Lower Chenab canal . . .	78,57,166	84,51,297	1,04,00,432	1,22,49,054	1,32,85,035	1,32,53,000	1,36,44,000
Lower Jhelum canal . . .	17,07,408	19,79,314	17,70,661	32,68,998	33,87,250	34,34,000	33,56,000
Indus Inundation canals . .	*—2,36,231*	*—2,31,623*	1,49,518	1,03,421	1,41,536	1,44,000	1,26,000
Lower Swat River canal . .	4,77,404	4,52,175	4,30,552	5,06,594	5,13,749	5,26,000	5,41,000
Kabul River canal	96,915	64,402	52,730	89,786	93,705	1,13,000	86,000
Godavari Delta system . . .	26,99,422	27,25,280	31,54,791	33,20,733	30,76,713	31,73,000	32,00,000
Kistna „ „ . . .	27,92,671	26,70,050	27,86,283	28,75,637	28,79,212	27,07,000	28,77,000
Cauvery Delta system . . .	8,24,649	7,58,367	8,81,450	8,95,507	8,41,980	7,97,000	8,39,000
Penner River canals system .	3,41,448	5,07,667	4,88,707	5,22,938	4,66,776	4,67,000	5,20,000
Periyar Project	4,09,825	4,33,840	4,27,459	4,44,613	4,13,087	4,56,000	4,61,000
Rushikulya project	70,712	1,01,375	1,03,007	1,31,062	1,25,603	1,32,000	1,57,000
Lower Coleroon anicut system .	2,24,258	1,88,867	1,92,025	2,29,759	2,15,031	1,51,000	2,34,000
Shatiatope anicut „ . .	81,205	76,821	73,843	82,846	55,680	47,000	74,000
Desert canal	2,18,255	2,05,086	1,55,274	1,93,473	1,78,038	2,32,000	2,02,000
Begari „	4,43,337	3,12,324	33,917	*—93,681*	2,52,543	3,54,000	4,07,000
Eastern Nara Works . . .	3,87,718	4,17,830	3,90,692	4,60,889	4,17,815	4,58,000	4,86,000
Jamrao canal	3,07,096	3,87,955	4,03,522	4,96,925	4,86,007	3,67,000	4,03,000
Mutha canals	2,40,009	2,84,214	3,22,659	2,42,228	2,71,311	2,46,000	2,39,000
Nira canal	3,11,297	2,30,543	3,37,486	3,88,078	4,27,963	4,25,000	3,62,000
Other projects	16,00,390	16,19,600	13,33,442	11,63,745	22,05,910	17,20,000	28,56,000
Reserve	...	...	...	...	...	...	*—63,000*
Total .	3,49,53,815	3,53,46,517	3,88,18,422	4,46,59,240	4,85,38,454	4,74,03,000	4,84,52,000

*Excluding Civil Officers' figure as under :—

	Revised.	Budget.
	Rs.	Rs.
United Provinces .	17,000	18,000
Punjab . . .	1,000	...
	18,000	18,000

Appendix—*continued.*

Table VI.—Capital Account of Subsidized Railways.

Actuals, 1913-1914.

RAILWAYS.	Amount in Rupees.	Amount in sterling at contract rates.	Equivalent at Rs. 15=£1.	Exchange.
	Rs.	£	Rs.	Rs.
Subsidized Railways.				
Receipts.				
Capital received in India.				
Sara Serajganj	5,00,000	33,333	5,00,000	...
Idar Road Brahmakhed, Ahmedabad-Dholka, Ahmedabad-Parantij, Tapti Valley	38,100	2,540	38,100	...
Hardwar-Dehra	3,480	232	3,480	...
Mymensingh-Jamalpur-Jagannathganj	38,805	2,587	38,805	...
Murtajapur-Ellichpur	4,89,000	32,600	4,89,000	...
Murtajapur-Yeotmal	9,34,000	62,267	9,34,000	...
Dhond-Baramati	3,72,000	24,800	3,72,000	...
Mandra-Bhon	95,000	6,333	95,000	
Total Receipts	24,70,385	1,64,692	24,70,385	...
Withdrawals in India.				
Assam-Bengal	*—18,32,113*	*—122,141*	*—18,32,113*	...
Bengal-Nagpur	23,20,110	154,674	23,20,110	...
Ditto Extensions	23,03,870	153,592	23,03,870	...
Burma	5,93,347	39,556	5,93,347	...
Lucknow-Bareilly	*—1,67,442*	*—11,163*	*—1,67,442*	...
Madras and Southern Mahratta	*—26,84,458*	*—178,964*	*—26,84,458*	...
	5,33,314	35,554	5,33,314	...
Sara Serajganj	4,92,795	32,853	4,92,795	
Amritsar-Patti-Kasur	70,482	4,699	70,482	...
Idar Road Brahmakhed, Tapti Valley, Ahmedabad-Dholka, Ahmedabad-Parantij	30,828	2,055	30,828	...
Hardwar-Dehra	561	37	561	...
Mymensingh-Jagannathganj	*—6,799*	*—453*	*—6,799*	...
Murtajapur-Ellichpur	5,78,115	38,541	5,78,115	...
Murtajapur-Yeotmal	10,08,975	67,265	10,08,975	
Dhond-Baramati	3,95,939	26,396	3,95,939	
Mandra-Bhon	1,18,146	7,876	1,18,146	
	26,89,042	179,269	26,89,042	...
Total Withdrawals	32,22,356	214,823	32,22,356	...
Net Withdrawals	7,51,971	50,131	7,51,971	...

Appendix—*continued.*

Table VI.—Capital Account of Subsidized Railways—*continued.*

Revised Estimate, 1914-1915.

Railways.	Amount in Rupees. (Omitting 000.)	Amount in sterling at contract rates. (Omitting 00.)	Equivalent at Rs. 15=£ 1. (Omitting 000.)	Exchange. (Omitting 000.)
Subsidized Railways.	Rs.	£	Rs.	Rs.
Receipts.				
Capital received in India.				
Amritsar-Patti-Kasur	2,21	14,7	2,21	...
Bombay, Baroda and Central India Railway—				
Branch Lines	15	1,0	15	...
Dhond-Baramati	63	4,2	63	...
Hardwar-Dehra	6	4	6	...
Murtajapur-Ellichpur	79	5,3	79	...
Murtajapur-Yeotmal	10,27	68,5	10,27	...
Mandra-Bhon	15,54	103,6	15,54	...
Pulgaon-Arvi	2,00	13,3	2,00	...
Sara-Serajganj	35,93	239,5	35,93	...
Sialkot-Narowal	5,43	36,2	5,43	...
Total Receipts	73,01	486,7	73,01	...
Withdrawals in India.				
Assam-Bengal	*—32,00*	*—213,3*	*—32,00*	...
Bengal-Nagpur	*—43,01*	*—286,8*	*—43,01*	...
Burma	4,75	31,7	4,75	...
Lucknow-Bareilly	79	5,3	79	...
Madras and Southern Mahratta	*—10,86*	*—72,4*	*—10,86*	...
	—80,33	*—535,5*	*—80,33*	...
Amritsar-Patti-Kasur	1,94	12,9	1,94	...
Bombay, Baroda and Central India Railway—				
Branch Lines	35	2,3	35	...
Dhond-Baramati	67	4,5	67	...
Hardwar-Dehra	5	3	5	...
Murtajapur-Ellichpur	72	4,8	72	...
Murtajapur-Yeotmal	10,06	67,1	10,06	...
Mymensingh-Jagannathganj	21	1,4	21	...
Mandra-Bhon	15,30	102,0	15,30	...
Pulgaon-Arvi	2,00	13,3	2,00	...
Sara-Serajganj	36,00	240,0	36,00	...
Sialkot-Narowal	5,43	36,2	5,43	...
	72,73	484,8	72,73	...
Total Withdrawals	*—7,60*	*—50,7*	*—7,60*	...
Net Withdrawals	*—80,61*	*—537,4*	*—80,61*	...

Appendix—*concluded.*

Table VI.—Capital Account of Subsidized Railways—*concluded.*

Budget Estimate, 1915-16.

Railways.	Amount in Rupees. (Omitting 000.)	Amount in sterling at contract rates. (Omitting 00.)	Equivalent at Rs. 15=£1. (Omitting 000.)	Exchange. (Omitting 000.)
Subsidized Railways.	Rs.	£	Rs.	Rs.
Receipts.				
Capital received in India.				
Amritsar-Patti-Kasur	1,39	9,3	1,39	...
Bombay, Baroda and Central India Railway—				
Branch Lines	63	4,2	63	...
Dhond-Baramati	25	1,7	25	...
Hardwar-Dehra	6	4	6	...
Murtajapur-Ellichpur	1,26	8,4	1,26	...
Murtajapur-Yeotmal	4,39	29,3	4,39	...
Mymensingh-Jamalpur-Jagannathganj	87	5,8	87	...
Mandra-Bhon	4,77	31,8	4,77	...
Pulgaon Arvi	4,44	29,6	4,44	...
Sara-Serajganj	16,00	106,7	16,00	...
Sialkot Narowal	14,02	93,4	14,02	...
Total Receipts	48,08	320,6	48,08	...
Withdrawals in India.				
Assam-Bengal	*—15,20*	*—101,3*	*—15,20*	...
Bengal-Nagpur	*—75,06*	*—500,4*	*—75,06*	...
Burma	*—22*	*—1,5*	*—22*	...
Lucknow-Bareilly	*—73*	*—4,8*	*—73*	...
Madras and Southern Mahratta	*—36,01*	*—240,1*	*—36,01*	...
	—1,27,22	*—848,1*	*—1,27,22*	...
Amritsar-Patti Kasur	1,39	9,3	1,39	...
Bombay, Baroda and Central India Railway—				
Branch Lines	63	4,2	63	...
Dhond-Baramati	25	1,7	25	...
Hardwar-Dehra	6	4	6	...
Murtajapur-Ellichpur	1,26	8,4	1,26	...
Murtajapur-Yeotmal	4,39	29,3	4,39	...
Mymensingh-Jagannathganj	1,00	6,6	1,00	...
Mandra-Bhon	4,77	31,8	4,77	...
Pulgaon Arvi	4,44	29,6	4,44	...
Sara-Serajganj	16,00	106,7	16,00	...
Sialkot Narowal	14,02	93,4	14,02	...
	48,21	321,4	48,21	...
Total Withdrawals	*—79,01*	*—526,7*	*—79,01*	...
Net Withdrawals	*—1,27,09*	*—847,3*	*—1,27,09*	...

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 to 1909 (24 & 25 Vict., c. 67, 55 & 56 Vict., c. 14, AND 9 Edw. VII, c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Thursday, the 25th March, 1915.

PRESENT:

His Excellency BARON HARDINGE OF PENSHURST, P.C., G.C.B., G.C.M.G., G.C.V.O., G.M.S.I., G.M.I.E., I.S.O., Viceroy and Governor General, *presiding*, and 59 Members, of whom 51 were Additional Members.

BUDGET, 1915-16.

The Hon'ble Sir G. Chitnavis:—"My Lord, it is an exceptional Budget that we have to deal with to-day; the shadow of War is on every page of it. The Hon'ble Finance Minister has given us a full summary of the whole position. In the light of the circumstances detailed, one is forced to admire the ingenuity and resourcefulness he has displayed in a very trying situation, and the care and sympathy with which he has throughout sought to mitigate the resultant evils On the whole, the financial arrangements, both of the current year and of the ensuing year, will command general approval. I have already, in the course of a separate debate, expressed my doubts as to the policy of setting funds aside in existing conditions to finance new railway lines, but that is a minor matter on which I need not dwell further. It is a reassuring fact that, notwithstanding a heavy deficit, there is to be no fresh taxation and that the financial position of Government is strong. It will be difficult to suggest more effective measures for filling the State coffer without pressing unduly upon the resources of the people. I will only suggest that in floating the proposed Rupee loan, care should be taken not to depress further the market for the existing three-and-a-half per cents and the three per cents. These form the bulk of the people's holdings, and a sudden slump in their saleable value will cause considerable anxiety to all holders, and actual loss to the weak and the needy among them. I have every hope that the matter will receive due consideration at the hands of so cautious and sympathetic a Finance Minister as the Hon'ble Sir William Meyer.

2. "My Lord, I beg to associate myself with the Hon'ble Sir Reginald Craddock in the encouraging words he spoke of the work of the police when he introduced his Budget heads for discussion. The police in some of the provinces are working under great difficulties, some even at the risk of their lives, and they deserve encouragement and sympathy for their faithful discharge of duty from all loyal and right-minded people.

3. "My Lord, as a result of our Resolution of September last, the War will entail a direct expenditure to India of £6½ millions, or a little over ten crores of rupees, and the whole amount is required for the cost of our troops sent to the Front. This is certainly far more than our first estimate, but we have no reason to grumble at the excess expenditure. The whole expenditure is nothing compared to what even neutral countries have had to incur in strengthening their armies and navies in view of contingencies. Had India been an independent Empire, and not formed a unit of the British Empire, our extraordinary expenditure would have been enormous at a grave crisis like this. It is a fortunate circumstance that our connection with the greatest Empire of the world ensures us safety from foreign aggression and internal peace

at a minimum of cost. While, therefore, we have not just ground for complaint on the score of extra burden, our contribution to the cost of the War, inconsiderable though it may appear to be in comparison with that of the Dominions, will not be found to be a negligible quantity. India, is, after all, a poor country, and the financial resources of Government are not what one would wish they were. It should also be remembered that, besides this public expenditure, the princes and the people have subscribed liberally to the various War Relief Funds. Individual citizens have also offered their personal services, and some are at the present moment actually fighting for the Empire. The gallant deeds of our Princes and our colleagues Malik Umar Hayat Khan and the Kumar of Tikari have already attracted notice at the highest quarters. It would be ungenerous not to acknowledge that we Indians in our own humble way are rendering to the Empire at this crisis as great and as loyal a service as is practicable with our limited means and limited opportunities.

4. "My Lord, the admirable conduct of the people during the whole of this anxious period should be given due prominence. But for the great restraint they have all observed, despite of a serious economic situation, the difficulties of administration would have increased enormously, and if there have been some troubles here and there, they are negligible when the large extent of the country is considered. It must not be forgotten that for one who means or desires evil, there are thousands who chafe under the restriction that prevents them from taking part in the War and dying for their King and the Empire. This is the first great occasion after the Mutiny when the loyalty of the people has been severely tried, and it should be a matter of genuine satisfaction, not only to this Government but also to the Imperial Government, that India of her own free will has cast her lot with the Empire. This is the proudest triumph of British Indian Rule. It likewise forms India's indefeasible title to a just estimate of her participation in the War. It would be difficult and invidious to apportion the credit between the two great sections of the community. Hindus and Moslems have both displayed admirable good-will; the Moslems under circumstances of peculiar importance and stress.

5. "My Lord, in thus referring to India's attitude, I do not for a moment lose sight of the fact, noticed at some length by the Hon'ble the Finance Minister, that the withdrawals from the Postal Savings Bank deposits have been inconveniently large. To all outer seeming this might discredit our professions of loyalty, but I am glad the Hon'ble Sir William Meyer has taken a juster view of the situation, and the circumstance, according to his explanation, is not inconsistent with our unflinching devotion to Government. The investors are mostly men of humble means; in the first few weeks of the War, authentic news of the incidents was scarce; the country was filled with wild rumours; the economic situation was critical. It is no wonder that under the circumstances some of these depositors got frightened, and wanted to have the cash with them. But now the Hon'ble the Finance Minister assures us, the first trouble of the alarm is over, and the people would seem to have come to realise the folly of withdrawing their savings from the Savings Bank. We Indians are an intelligent people, and we cannot be slow to recognise that it is far safer to keep our money in deposit with a powerful Government in these troublous times than to hoard it in our humble dwellings. The heavier the deposits at this crisis the better for all concerned. It is to our interest to strengthen the financial position of Government by deposits. The financial strength of Government is our national strength. The recent appointment of an Auditor-General for India, with plenary powers of scrutiny into the Government accounts and check, will have the effect of creating in the public mind greater confidence in the wise application of Government funds, and, consequently, in the financial stability of Government.

6. "My Lord, the question of oversea emigration has an important bearing both upon the economic and the political situation even in normal times; in a critical time like the present, it has a serious aspect. We are all sorry for the "Komagata Maru" affair, but in spite of that unhappy venture and the

disgraceful conduct of the emigrants, something may have to be done by Government to secure a reasonable solution of the problem, and it is far better that an attempt at such a solution of the problem should be made by them as the representatives of the people. However much we may fret at our disabilities in the self-governing Colonies of the British Empire, we, unaided by Government, cannot succeed in getting them removed. It is an excellent idea of Your Excellency's, therefore, that we should support the Government to effect a compromise with the colonies on a basis of complete reciprocity, consonant with the common interests and self-respect of both sides. If we succeed in getting the most-favoured-nation treatment, we should be satisfied for the present. Personally, I have great faith in Imperial Preference as a lever which can be used to our advantage in the Colonies, but all discussions regarding this and kindred subjects of Imperial importance must necessarily be suspended until the war is over. When that happy consummation comes, an Imperial Conference of the Colonial and Indian representatives should be helpful in evolving a workable scheme of Preferential Tariffs which will bind us to the Colonies with bonds of brotherly love and mutual trust and mutual interest. I am glad to find that the most convinced of free-traders are beginning to reckon one great outstanding fact, that England's fiscal problem will have to be settled under pressure, not of argument, but of political and industrial forces. Here in India we have advanced sensibly in the development of our economic ideas, and Government is to be congratulated upon the marked change in its policy. Its action in the matter of the regulation of the exports of wheat testifies to its earnest desire to suit its economic policy to the conditions of the times and the country.

7. "My Lord, we had a good deal of discussion this session as regards the promotion of India's industries during the war. In this connection I am glad to congratulate the Government on the appointment of a gentleman at the Board of Trade in England. He was appointed to find outlets of exports of Indian raw and manufactured articles hitherto sent to Germany and Austria-Hungary, and also to make good the heavy losses in her trade with France and Belgium and with neutral countries on the Continent. The complete suspension of the trade of India with the two chief enemy Powers cuts off at a stroke some £11,000,000 of the balance of trade in her favour. This appointment will be the means of providing a channel of enquiry and advice for business men in England desiring to utilise Indian products in manufactures hitherto more or less monopolised by Germany and Austria. It will also have the effect of recognising India's special claims and needs in this war against German trade.

8. "My Lord, we all look up eagerly to an early and successful termination of this great war, the continuance of which means not only so much waste of valuable life of the present generation, but the wiping out of many future generations. No one entertains the least doubt about the glorious victory of British arms, but the sooner it comes the better it is for all parties concerned, nay, for the civilisation and progress of the world. With militarism crushed and the British Empire strengthened by the comradeship in arms of the various units, a juster view of human rights and of the purpose of civilisation is bound to animate the future policy of the West, and India has everything to gain by the wholesome change. The stain of the Mutiny is wiped out by the valour, heroism, and devotion of the Indian troops, and India stands and will stand justly proud of the brilliant record. The honour, the future, of India are in the safekeeping of these soldiers who have the privilege of fighting for their King and the Empire. Some of these have already won the high distinction of the Victoria Cross. It is flattering to us, it is flattering to our patriotism, that India will occupy a brilliant chapter in the history of this war. Our good name, earned in the field of battle, and our behaviour within the country, will be invaluable asset in the future adjustments of India's rights both within her bounds and in the world abroad. We, therefore, hope that our countrymen will create no trouble and conduct themselves at this crisis in a manner which will redound to the credit of the whole country.

9. "My Lord, in this connection I cannot but allude to the great toll of death during the year. It is a matter of deep sorrow that we have to record not only

the loss of men rich in fame who have reached the allotted span of years, but also the deaths of many young and gallant servants of the Empire fallen either on the field of battle or died subsequently of wounds received in action. I hesitate to publicly express sympathy with their relations, because personal grief such as this seems to me a sacred thing, to be treated rather with mute reverence than with words. We cannot, however, but admire and praise the courage and fortitude with which these faithful and loyal servants of the Crown from the highest to the lowest who have been thus stricken are working. May the souls of those who are dead in the service of their King and Empire rest in everlasting peace and happiness !

10. "My Lord, we all regret Your Excellency's approaching departure. You have worked under circumstances of exceptional difficulty and with a sole view to India's interests. You have secured our esteem and confidence, and we all hope that you will be allowed to remain until the war is over, and, when you leave, you will carry with you our best wishes for your happiness and prosperity."

The Hon'ble Raja Jai Chand:—"My Lord, the Financial Statement for 1915-16, so luminously presented by the Hon'ble Sir William Meyer, reflects the tireless exertion of the whole Indian continent to surmount and steer clear of the economic and financial disturbances developed by this international conflict, which is second to none in the annals of the world.

"It is quite true, as my Hon'ble friend the Finance Member remarks, that India has not been directly affected by this gigantic struggle and so I think other British colonies too, like New Zealand, Canada and Australia and so forth, have not felt the direct impact of the war, though none of these, including India, and even the non-combatant and neutral countries like the United States and China, have been able to escape the bitter effects resulting therefrom. However, considering the gravity of the situation, which at present prevails all over India, I cannot but warmly congratulate the Finance Member on his splendid presentation of facts connected with the recent development of the history of trade and finance during the last few months, and on his masterly review of the measures adopted by Your Excellency's Government to husband the financial resources, to develop trade, to uphold exchange, and to help currency.

"Speaking on the last year's Budget I had drawn the attention of Your Excellency's Government to the backward state of the Punjab in sanitation and education, particularly female education, as being antithetical to steady progress and advancement in the same direction in other provinces of India

"I had also distinctly referred to the deplorable poverty of the martial tribes inhabiting the Punjab, and, as a remedial measure, had mentioned the paramount necessity of providing them with some land in addition to their own ancestral holdings, which are quite insufficient to meet their domestic wants throughout the year.

"The Indian martial tribes, whose glorious deeds of exemplary valour and chivalry, tenacity, and endurance in the battlefield have won the admiration of Field Marshal Sir John French and of Allied Armies, have acquitted themselves of the heavy responsibilities in a way worthy of their best traditions. Thus, when they have readily responded to the stern call of duty in a crisis like the present, with unswerving loyalty and devotion to the British Crown, it remains for the Government to strike a crushing blow at the root of the evil, which leads to their misery and domestic uneasiness.

"My Lord, it is a source of immense gratification to me to find that the Punjab Government, fully realising the need of the hour, have adopted the prudential and beneficial step in the shape of grant of more land than was previously sanctioned for distribution among soldiers whose gallant and distinguished conduct in the field brings them to the forefront.

"It is a boon for which the whole of the Panjab, province in general, and the military tribes in particular, owe to the wide-awake Lieutenant Governor a deep debt of gratitude.

"There is one point, however, which I wish to elucidate. Some officials, as an English newspaper remarks, may have taken an unwholesome view of

the fact that some military grantees, not being actuated by a love of agriculture, sell their lands to other men, and as they have no aim other than money-making, it only serves to hinder and retrograde the steady progress of colonization. But, His Honour the Lieutenant-Governor of the Punjab makes the following observation in his review in Lyallpur :—'There is no cause for regret in this', says His Honour, 'if, as appears to be the case, transfers were made generally by military grantees, whose hearts were not in the colony, and they have probably given way to men who will make better colonists.'

"Now, whether the military grantee keeps the land in possession or sells it to some other capitalist to his own advantage, makes little difference. The fundamental point at issue is that he should not be deprived of grant of land. The bare fact of his selling land is no justification of his deprivation from the boon.

"My Lord, there are other points, too, which I would have liked to bring to the notice of Your Excellency's Government, but being fully alive to the gravity of the modern situation, and to the serious complications and anxieties created by the war, which we all wish to see soon ending in the victory of British arms, I refrain from entering into discussion, and hope that I will have a better opportunity later on, when things assume their normal course, to voice the feelings of the Punjab landholder, whom I have the honour to represent in this Council."

The Hon'ble Lieutenant-Colonel Blakeway :—"My Lord, I must apologise for occupying the time of the Council to-day on the subject of sanitary progress in the North-West Frontier Province when probably a number of other subjects of interest will come under discussion, but the proposals of the Hon'ble elected members representing the Central Provinces and United Provinces, during the first stage of the discussion of the Financial Statement, for the curtailment of the Railway programme in favour of the development of Education and Sanitation have indicated the public interest which these two departments continue to focus, in spite of the numerous preoccupations of the present time. The somewhat dismal reference, also, by the Hon'ble Mr. Dadabhoy on the same occasion to the sanitary condition of his Provincial Head-quarters' city might, perchance, create the illusion that equally worthy Provincial competitors for Government aid in the matter of sanitary improvement do not exist elsewhere. It has occurred to me, therefore, that a few words representing the claims of the North-West Frontier Province to obtain a share in the unallotted reserve of 7·7 lakhs for sanitation, to which reference is made in paragraph 106 of the Memorandum explaining the details of the Estimates, may promote the cause of my Province, since, if I may say so without levity, it is the early Provincial bird which frequently succeeds in the appropriation of the Imperial financial worm. Moreover, as the spoken word on occasion appeals to a wider audience than the written, or at all events the officially written word, the exhibition of their needs may help to assure the representatives of the urban communities in my Province, where city sanitation has of late been rapidly advancing, that their efforts meet with recognition and should encourage their progress in the direction of reform.

"The North-West Frontier Province is regarded, I fear, in some uninstructed quarters as merely a land of incursions by tribesmen and excursions by troops; as a scene of raids and counter-raids, where the midnight forays of hillmen alternate with the reprisals of Government. There is, however, another and a very important side to the shield, a side connected with the well-being of the Border peoples who are our subjects, with their education and their introduction to all the benefits associated with civilization. Naturally, the first and most heavy responsibility of the Administration—or of any Government for the matter of that—must be the maintenance of law and order; but the policy of improving the material condition of the people has been steadily and of late, thanks to the liberality of Your Excellency and the Government of India, very actively pursued. It is curious to observe, however, by way of

comment on the sense of proportion publicly displayed in certain matters, that the completion of so vast and beneficent a project as the Upper Swat River Canal, which will have a far-reaching political effect and bring prosperity to thousands of peasant homes, should apparently arouse less general interest than, for instance, an abortive attack by some transfrontier miscreants on a border post.

"But, My Lord, I will not detain the Council by recounting even briefly what has been done recently on the North-West Frontier under the heads Education, Communications, Public Works and Medical Relief. However interesting the realization of local schemes may be to local patriots these schemes cannot be expected to invite and hold the interest of others. Neither will I refer in detail to the progress being made in town sanitation. I think, however, that the sanitary condition and Municipal administration of the historical and beautiful city of Peshawar, the first Indian city to be seen by those hosts of travellers from Central Asia, Persia and Afghanistan, who enter British territory by the various routes converging at this point, can fairly claim something more than local concern. Owing to its position in the forefront of Empire on the extremest border of British India, I hope that all of us conscious of an Imperial sense must hold the opinion that it should attract the admiration of the strangers who resort to it and pass through it in such numbers, and must desire that its Municipal arrangements and sanitary condition should bear worthy testimony to the solicitude of Government. This brings me, My Lord, to the main ground on which I voice the claims of my Province to share in the Imperial sanitation reserve of 7·7 lakhs. An extensive conservancy scheme, involving improvements also to the water supply, is now being worked out for our local capital, but cannot be carried into effect by the Municipality without help from provincial funds. This help means starving projects elsewhere and may check the awakening spirit of Municipal sanitary reform in the Province which it is so desirable to foster. I trust, therefore, that when our appeal to the charity of the Government of India for a special sanitary grant, in addition to the recurring grants which we are now enjoying, comes to be made, it will be successful in spite of the insistent competition of larger rivals to which expression has already been given in this Council."

The Hon'ble Mr. Banerjee:—"My Lord, I do not know whether the Hon'ble the Finance Minister reads the newspapers, but if he does he will have noticed the chorus of approval with which his Budget was greeted by the accredited representatives of public opinion. We, who are of the public, associating ourselves with this popular sentiment, desire to offer him our heartfelt congratulations. I think my Hon'ble friends will have no difficulty whatever in discovering the secret of this universal feeling. We all expected to be taxed, directly or indirectly. We have been saved from that situation, and we hasten to offer our grateful thanks to our deliverer. But, My Lord, gratitude implies a sense of favours to come. We have indeed got over our present difficulties, but what about the future? It is perhaps too early to make a pronouncement with regard to that, but judging from the conduct of the finances of this year, at a critical time, I think we have the assurance and the guarantee that no fresh taxes would be levied unless under the pressure of a paramount necessity. My Lord, the Budget has been framed on the assumption that the war will continue for one year. If, fortunately, the war terminates before that time, the situation will have been eased and our anxieties will have been partly dispelled. My Lord, the Budget is a War Budget, but the most interesting thing about the Budget is that although it is a War Budget, it does not add to the military expenditure: on the contrary, the military expenditure is slightly less than that which had been budgeted for. The cost of the Indian Expeditionary Force to Europe will come up, for the year 1914-15 and 1915-16, to about 7 millions, or, perhaps, a little less than 7 millions. My Lord, war is an unmitigated evil, but there is no cloud without its silver lining, and this war has afforded India an opportunity of demonstrating her loyal devotion to the Empire in a manner which has produced a profound impression upon

the public mind of England. The enemies of Indian aspirations have been convinced and converted. The angle of vision with regard to Indian affairs has been changed, and, in the words of Sir James Meston, a bright day is about to dawn in the land, when, as I hope, India will take her place as a component part of a great and federated Empire, in the full and free enjoyment of the rights belonging to that status This hope inspires our people May it be realized and may the Empire of His Majesty be broad based upon the gratitude, the contentment and the happiness of the people of India.

"My Lord, no educated Indian can speak upon a Budget statement without reference to two matters which find a prominent place in his mind, namely, sanitation and education. They are the watchwords of the Government of India. They are also our watchwords, and to them we accord a prominent place in our public work. Unfortunately, there has been no Imperial grant in respect of either for this year with the exception of 10 lakhs, which Your Excellency was pleased to announce at the Convocation of the Calcutta University, for hostels. My Lord, the building of hostels is a matter of the utmost urgency, having regard to the interests of discipline among our students. I am sorry to have to say that the work is not progressing as rapidly as it ought to. I know something about these hostels. In connection with the hostel for the Ripon College, in which I am directly interested, and the Metropolitan Institution of which I know something, the land has been acquired, the plans are ready, but the buildings have not been yet taken in hand. I hope and trust that with the 10 lakhs of rupees which have been granted the work will be taken in hand at once.

"As regards sanitation, we have to make the same complaint. The administrative machinery moves slowly. It does seem to me that it needs to be vitalised and recast upon more liberal lines. We are looking forward with some hope and expectancy to the resolution which you, Sir (the Hon'ble Sir Harcourt Butler), have promised on the question of local self-government. I can only hope and trust that as you have signalised your administration in the Education Department you will also leave an ineffaceable mark upon the system of local self-government by laying down the broad and liberal lines of progress which should distinguish that institution.

"My Lord, my Hon'ble friend, the Finance Minister, said in regard to certain observations made by the Hon'ble Mr. Dadabhoy that there was no desire on the part of Government to go back upon its policy in respect of sanitation and education, but that the speed had been somewhat slackened. We can only hope and trust that with the return of normal conditions more money will be spent and greater energy exhibited in the matter of sanitation.

"My Lord, with regard to the provincial contracts, the war has deferred the settlement of that contract with my province. May I plead for my province and urge that when the terms have been fixed, they may be so settled that Bengal may be a self-contained province able to pay its own way without the adventitious aid of those Imperial doles which my Hon'ble friend, the Finance Minister, in his capacity as a Member of the Decentralisation Commission, condemned as demoralising? The provincial system must be worked up to the stage of fiscal autonomy, which is the basis of provincial autonomy. My Lord, that is the clear demand of Indian public opinion, and that demand has found a responsive echo in the great despatch of the 25th August, 1911, with which Your Excellency's honoured name will be imperishably associated in the history of India.

"With regard to the question of the industries, My Lord, the discussions in this Council and the discussions which have taken place elsewhere have brought out the fact prominently that Indian opinion demands that there should be a definite change in the policy of Government in this matter. Government cannot stand where it is; it must move on according to the requirements of the country and the demands of an advancing public opinion. What the educated community want is that Government should actively participate in the fostering of our industries by financing the more suitable ones and rendering them such help as they may need. That is the clear demand of educated

public opinion. The question will be brought up again and again in this Council and in the Provincial Legislative Councils, and I should like to put this question to the Hon'ble Member in charge of the Department of Commerce and Industry, 'How long does Government propose to resist the rising tide of public opinion becoming more and more insistent and importunate with every check and every refusal?'

"My Lord, there is one matter which at the present moment weighs heavily upon the minds of the educated community not only of the United Provinces but of all India, I mean the rejection of the proposal for the creation of an Executive Council in the United Provinces.

"My Lord, this proposal was made by the Government of the United Provinces and was supported by the Government of India and by His Lordship the Secretary of State for India. It was in entire conformity with the recommendations of the Decentralisation Commission and was backed by the unanimous vote of the non-official Indian Members of the Legislative Council of the United Provinces, who, I presume, are in closer touch with the better mind of their countrymen, and with the sense of the voiceless millions of the United Provinces, than Lord MacDonnell, who left the country about 20 years ago, than Lord Curzon, who left India 10 years ago, or than Lord Sydenham who was not even within a measurable distance of the United Provinces and knows little or nothing about them. My Lord, it is not only a question of administrative efficiency, which, in the words of Lord Morley, Indian rulers are sometimes apt to put a little too prominently in the forefront of their consideration. The issues involved are much deeper. His Honor Sir James Meston sounded the true note of the situation when he said that the object of this reform was to introduce Indians into the inner councils of the Government, into the Holy of Holies, if I may say so without irreverence. My Lord, it is most unfortunate that this proposition should have been rejected at a time when India is astir with a new and an awakened sense of devotion to the Empire. Already it is beginning to be asked—Is this the first-fruit of that change in the angle of vision which had been promised by a high authority? The only redeeming feature about the situation is the attitude of Lord Crewe, who is resolved to pursue the matter. We wish him all success, and we desire to assure His Lordship of the sympathy, the unstinted sympathy, of the millions of my countrymen in this matter. My Lord, does the question affect the United Provinces only? No: it affects the whole of India. We share with the United Provinces the deep disappointment which they feel. Not only that, the question has raised constitutional issues of grave moment. The House of Lords may block great reforms in India by raising difficulties as they have done in this case My Lord, I hope and trust that Lord Crewe will revive the India Council Bill, which also was rejected by the House of Lords. We were not enamoured of the Bill; we thought it ought to have been cast upon broader and more progressive lines. But such as it was, it was a distinct improvement on the existing condition of things, for it recognised, although it might be in an attenuated form, the elective principle and the statutory right of the people of India to be represented in the highest Council of the Indian Empire.

"My Lord, there is another matter, somewhat of a controversial character, which I feel it my duty to mention in this Council, because what I am going to say represents the public opinion of my countrymen. It is somewhat unpleasant, but we have sometimes to say unpleasant things in this Council. My Lord, the Government of India have paid compensation, pay or allowance, to the members of the Indian Civil Service and of the superior Police Service above a certain grade; and this was done at a time when it was known as a matter of practical certainty that there would be a deficit in the current year's Budget, and when there was a forecast of a deficit in the Budget of the coming year. My Lord, that step, I cannot help thinking, was ill-advised. Why, when every subject of His Majesty—high or low, rich or poor, prince or peasant—was suffering from the pinch and the pressure of war, two well-paid services should have been singled out for this preferential treatment, passes my comprehension Yesterday, in reply to a question which

was asked here, it was said that the object was to compensate the members of these services for the block in promotion. My Lord, there are other branches of the Public Service which suffer from similar inconvenience, from a similar strain. Have they received any relief? My Lord, I have already observed that this is a somewhat controversial and unpleasant matter; but there is a very strong feeling outside this Council in the country at large, and I have felt it my duty to refer to it here in the hope that the question may yet be reconsidered. At one time some of us thought of giving notice of a resolution, but we wanted to avoid anything like a controversy.

"My Lord, in conclusion I desire to associate myself with the observations which have fallen from my Hon'ble friend, Sir Gangadhar Chitnavis, in regard to Your Excellency. My Lord, we may not always see eye to eye with Your Excellency's Government in regard to measures of administration; but, My Lord, your administration has been one of the noblest and wisest in Indian history; and, My Lord, if I may be permitted to say so, Your Excellency will take your place among the most illustrious of Indian Viceroys—by the side of Bentinck, Canning and Ripon. Therefore, I unreservedly associate myself with the observations which have fallen from my friend: they represent the deliberate judgment of public opinion, and of the educated community, over this wide, wide continent."

The Hon'ble Pandit Bishan Narayan Dar:—"My Lord, I thoroughly associate myself with the Hon'ble Member in the well deserved compliments they have paid to the Hon'ble Finance Member on his excellent Budget. I cannot say that I am quite satisfied with the provision made for education in the coming year; but considering the present situation I make no complaint.

"My Lord, Education is England's greatest gift to India, and it has not yet found a more sincere and more passionate advocate and supporter than Your Excellency. The whole country fully appreciates Your Excellency's noble efforts in this direction and is filled with feelings of deepest gratitude for what you have already done. The promoters of the Hindu University movement are particularly deeply indebted to Your Excellency for Your Excellency's gracious support in their great undertaking, and it is as an humble admirer of Your Excellency's liberal educational policy that I wish to submit a few observations on one or two features of that policy which seem to have failed to commend themselves to a section of the Indian Public. I know that the Government sincerely desire that education should spread as widely as possible and as rapidly as possible. But unfortunately the rate of progress which seems to satisfy them does not satisfy us. Their aims seem to be to subject the requirements of educational expansion to those of educational efficiency. Our position is, efficiency by all means but not at the cost of expansion, not at the sacrifice of a wider diffusion of knowledge. My Lord, India has been under British rule for nearly 150 years and yet what is the state of our education as shown by the latest figures on the subject? According to the last quinquennial report on Indian education 2·7 per cent of the population were at school in 1911. Now we have 3 as against 2·7 per cent. So then according to the latest figures 97 per cent of the population at this moment are condemned to pass their lives in utter ignorance. In this respect India does not compare favourably with any civilised country in the world. The demand for education is growing day by day; but from every Province come complaints, not by the hundred but by the thousand, that there are more boys desirous of learning than can be accommodated in our schools or colleges. Restrictive rules have been made in every Province because there are not enough schools to accommodate our boys. My Lord, in the existing state of India we do not want better school buildings but more schools. A good education imparted in finely built schools is a very desirable thing, but any education is better than none.

"My Lord, there is another point upon which I want to say a few words. My Lord, we Indians find it very difficult to understand why the Imperial Educational Service has been almost monopolised by Europeans and why so

many Professorships and even Head-Masterships are given to Europeans in preference to Indians In my Province, if I am not mistaken, there is not one Indian in the Imperial Educational Service.

"There are qualified Indians certainly, not inferior in mental and moral equipment to many of those English teachers and professors who are sent out here every year from England. A larger employment of indigenous talent would be good not only on economic grounds, but would in large measure satisfy one of our legitimate aspirations. But I place the claims of Indians to be appointed more largely in the higher ranks of the Educational Service on a higher ground than that. One great object of all education is the formation of character, and the Government has of late rightly laid stress upon the realisation of that object. Another aim which the Government has rightly set before itself is that the development of Indian mind and character should be on Indian national lines. My Lord, is it seriously believed that the character of the youth of India will be formed on its national lines under the influence of English teachers and professors, however able and high principled they may be? My Lord, this is a delicate question. But I do not speak in a controversial or party spirit when I say that the policy of increasing the number and extending the influence of European teachers and professors, possessing little knowledge of Indian life and conditions, and themselves living here under the influences of their own community and isolated from the daily life of the people among whom they have to work, I say that the policy of extending their influence over the formation of the intellect and character of the Indian youth, is causing disquietude to the intelligent section of the Indian people; and they are watching with anxiety and even apprehension the effect of that influence upon their boys, whose mind and character will thus be formed, not on their own national lines, but in accordance with the ideals of teachers drawn from a different race and inspired with the spirit of a different civilisation. It is not a whimsical apprehension, but a real one in my opinion, about which we may not hear much now but which is growing and will make itself heard before long.

"My Lord, we the people of the United Provinces are deeply grateful to Your Excellency's Government and to Sir James Meston for recommending to the Secretary of State the creation of an Executive Council in my Province, and to the Secretary of State for his gracious acceptance of Your Excellency's proposal; but that proposal has been rejected by the House of Lords, because some noble Lords with Indian experience considered it a revolutionary measure, as if the creation of an Executive Council meant the founding of a new republic in the United Provinces. Bombay and Madras are each under a Governor-in-Council. Bengal owes that boon to Your Excellency's liberal and generous statesmanship. The new province of Bihar and Orissa is equally indebted to Your Excellency for its Executive Council In what respect would it be a revolutionary change to bestow the same gift upon an older, richer and more populous Province? The noble Lords seemed to find much satisfaction and security in an old order of things which is daily growing obsolete. They are welcome to the asylum they have sought for themselves for they have taken refuge in the traditions of the most powerful and most exclusive bureaucracy in the whole world. Nevertheless, they have, in my humble opinion, committed a grave mistake. They have disregarded the public opinion of India and disregarded it at a time when it should be conciliated. Here was a demand made, not by an infinitesimal section of the Indian community, as one noble Lord said, but by every class of the people of the United Provinces, for whose good opinion and good-will Government cares, a demand upon which Hindus and Mohammedans who are supposed to be always ready to fly at each other's throats were unanimous, upon which the aristocrats and the commoners were equally united, and which was supported by Sir James Meston, the popular and liberal-minded Lieutenant-Governor of the United Provinces, by Your Excellency's Government and by the Secretary of State, a demand which was extremely moderate and reasonable in its nature and which meant nothing more than that a long-deferred hope raised by the liberal policy of the Government should now be fulfilled, and that a concession which had been made three years ago to the new

province of Bihar and Orissa should be made to an older and more important Province, and which had been withheld from it because its then Lieutenant-Governor, Sir John Hewett, who was brought up in different traditions did not like it; this demand has been rejected by the Lords on the flimsy, shadowy ground that the people did not want it, that their religious animosities forbade its concessions and that its concessions would revolutionise the administration. What would be the effect of this action of the Lords in the United Provinces, and indeed in the whole country? Your Excellency has rightly observed more than once in this Council that the present is not the time for political controversies and political agitations. The leaders of the various Indian communities have recognised this fact from the very commencement of the war, and have urged upon their countrymen the urgent and sacred duty of forgetting all domestic differences and rendering whole-hearted support to the King-Emperor and Country in this hour of fate in the life of civilized mankind. Their advice has been gladly, enthusiastically followed by the loyal Indian people, all political controversy is hushed, all domestic disputes are forgotten; and one recent and most striking proof of that is the Defence of India Act, the most drastic measure ever passed by the Government of India, a measure open to grave objections, but which was unanimously supported by the Indian Members of this Council; because with the fullest confidence in the justice and benevolent spirit of Your Excellency's remarkable administration, we, the representatives of the people, considered it against our loyal duty to Government to stir up controversy and thereby cause public alarm. This is how the Indians have acted in the present political situation; and the Government on their part have, we all most gratefully acknowledge, put off the consideration of all controversial measures in accordance with the wide-spread desire of the Indian people. But the Lords have chosen this of all moments for practically rejecting our demand, in spite of the just and wise warning of the Secretary of State. And the immediate effect of that sad blunder is that it has already caused deep disappointment to the people of my Province and may before long re-kindle political agitation there, which to my mind will be nothing short of a calamity. If this is the attitude of our ex-Viceroys and ex-Governors towards us during the war, what will it be after the war? They have been paying us high and extremely flattering compliments upon our loyalty and devotion to the British Crown; and yet in the same breath they tell us that we are in such a backward and primitive condition that even an Executive Council would be too good for us. My Lord, you can imagine the effect of these contrasted and contradictory statements upon our minds The motto of short-sighted statesmanship has always been: Refuse a demand when you can grant it with grace; grant it when you cannot refuse it without peril. My Lord, my Province is one of the more advanced provinces of India, a Governor-in-Council was promised to it long ago, and henceforward, if I at all understand its temper and desire, it cannot rest contented with anything less than that. The concession of our demand for a Governor-in-Council will be one forward step towards the realisation of the ideal set forth in your Excellency's memorable Durbar despatch, namely, 'a larger measure of self-government under which India would consist of a number of administrations, autonomous in all Provincial affairs, with the Government of India above them all, and possessing power to interfere in cases of misgovernment, but ordinarily restricting their functions to matters of Imperial concern'. My Lord, it is this policy of generous trust, ordered freedom, and friendly co-operation between the rulers and the ruled that has endeared Your Lordship's name to the heart of every Indian. Our claim for a closer association with the administration of the country, for a more effective co-operation with our rulers in all the departments of Government is in accordance with the spirit of that policy.

"My Lord, the war has demonstrated India's unswerving loyalty to British rule, which was never doubted by Your Excellency. We have noticed with sincere gratification the impression made upon British public opinion by India's services to the King-Emperor and the Empire in these critical and fateful times. English statesmen have held out high hopes to us. The Under Secretary of State for India said the other day that India was not a

dependent but a partner of the Empire. Even the hearts of colonial statesmen have softened towards us. All this has brought the fulfilment of our demands, such as a larger employment of Indians in the Civil and Military services of the country and a satisfactory solution of the question of the status of Indians in British colonies, much nearer to us than before. So long as the war lasts we shall not press any of our demands; but after the war, when the triumph of British arms is complete and peace is restored to the civilised world, we shall ask for a substantial concession of our demands not as a reward of our loyalty—for loyalty according to a high authority must be unconditional and must seek no reward—but as a right which we shall be justified in claiming as citizens of a free Empire.

"Of course, progress must be gradual, concessions must be made on cautious lines. We must not take the second step before taking the first. We must remember that in practical politics it is not logical argument but the logic of facts that tells, and we must fully trust in the high aims of British rule in India which, with all its defects and shortcomings, is yet, as J. S. Mill said, the best and purest in intention ever seen among mankind. On the other hand, My Lord, I appeal to Government and through the Government to the whole governing class in this country to win our true regard and affection by trusting us and trusting us as equal subjects of the King-Emperor; for the noble words of Jeremy Bentham are as true now as when they were first written: 'In order to gain mankind one must appear to love them and the best way of appearing to love them is to love them in reality' ".

The Hon'ble Raja Sir Muhammad Ali Muhammad Khan:—"My Lord, with your permission, I beg sincerely to congratulate the Hon'ble Finance Minister for the able manner in which he has prepared the Budget. The year to which the Budget relates is exceptional inasmuch as we have for the first time in the history of this country to share the expenditure on the noble cause of the defence of the Empire, of which India should be proud. My only fears are that our finances did not permit of an allotment of a larger sum of money towards the war than has been budgeted for by our able Finance Minister.

"In normal times I would have pressed the need of the United Provinces for a handsome allotment towards Education and Sanitation and under other important heads, but this, My Lord, I do not think, is the proper time for it. However, a change, or rather a reduction, in the Budget for the United Provinces may be necessary owing to the deplorable action of the House of Lords in throwing out the proposal for an Executive Council for the United Provinces. Any saving that may thus accrue during the year should be employed on the crucial needs of the Provinces.

"My Lord, this decision of the House of Lords has come to us as a great shock and has created a great disappointment and uneasiness throughout the Provinces. I do not know the source of information of Lord MacDonnell who, in moving the Resolution in the House of Lords against the creation of an Executive Council, said that it was only a small number of people of my Provinces who wanted it and the majority were not in favour of it. I cannot but emphatically rebut this statement.

"My Lord, in all matters of administration it is the aspirations of the educated and thinking masses which play the important part in determining the public opinion. The Legislative Council of every Province is the recognised and effective medium of ascertaining the voice of the people through their representatives.

"My Lord, the majority of non-official Members in the Council of the United Provinces who voted in favour of the Executive Council did not warrant the statement made by Lord MacDonnell. But it appears that he, like others who have left this country long ago, is quite out of touch with what is going on here.

"These noblemen of the House of Lords, My Lord, would be well advised to support the Government of this country and to accept the advice of the

Ruler on the spot. The decision of the House of Lords is really a severe punishment inflicted upon a very great section of deserving, worthy, and loyal subjects of His Majesty, and the reason of it, My Lord, is that we were *ultra* moderate in asking only for an Executive Council for our Provinces. The importance of our Provinces, My Lord, demands the creation of an Executive Council with a Governor, and I feel absolutely confident that the just Government of Your Lordship will be pleased to consider the feasibility of creating a Governorship for the United Provinces.

"My Lord, without any idea of jealousy or slight to the sister Provinces placed under Governors in Council, I beg leave to submit that the claims of the United Provinces in this respect are next to none in India.

"In conclusion, I beg to add that in my humble opinion it appears absolutely necessary that the enactment by which the Proclamation creating an Executive Council has to be tabled in both Houses of Parliament should be repealed. It is not the first occasion on which the House of Lords has been uncharitable in unduly interfering with matters connected with the administration of India.

"My Lord, this is really not the proper time to enter into any lengthy discussion on matters controversial, and every faithful subject of His Majesty would avoid, so far as possible, every kind of agitation at the present juncture; but, My Lord, the situation has been forced upon us by the House of Lords."

The Hon'ble Mr. Sharp:—"My Lord, in that portion of his speech which dealt with Education, I understood the Hon'ble Pandit Bishan Narayan Dar to make two statements which should not go unnoticed. He said that only 3 per cent of the population are at school and drew from this the deduction that 97 per cent of the people are condemned to ignorance; and I think he added that this state of things was probably worse than in any country in the world. I need hardly say that this deduction is not correct. I also understood him to say that there are no Indians in the Imperial Service of the Education Department—"

The Hon'ble Mr. Pandit Bishan Narayan Dar:—"In the United Provinces."

The Hon'ble Mr. Sharp:—"I beg the Hon'ble Member's pardon. I thought his remark was general."

The Hon'ble Mr. Das:—"My Lord, the Hon'ble Finance Member has received quite a chorus of congratulations and felicitations—those offered to him in the columns of the newspapers and those he has received here. But as the Member in charge of Finance is accustomed to deal with the smallest copper, a pie, I desire to offer my pie of congratulations which may, I hope, be acceptable to him.

"I associate myself with most of the remarks which fell from the Hon'ble Sir Gangadhar Chitnavis, and I wish to refer to the last paragraph of his speech in which he referred to Your Excellency's coming departure. He referred to it with a sense of regret: no doubt, if it does come to pass, it will be a cause of regret. My Lord, misfortunes have often overtaken India, and the most recent misfortune was one to which reference was made by the last few speakers; I mean the attitude of the House of Lords with regard to the recommendations for an Executive Council for the United Provinces. Misfortunes have befallen India, but the worst misfortune would be that which would remove the commander of the vessel at a time when a storm was blowing, when the waves were dashing against the ship of administration, when there were small clouds on the horizon, the future magnitude of which could not at present be gauged. To remove the commander of the vessel at a time like this would be perhaps the worst calamity that has befallen India. It is not the qualifications of the captain, or the commander, the man at the helm that count. He may have any amount of knowledge

of steering his vessel, but the most important thing in troublous times is the confidence of the people in his efficient commandership. If the people have not confidence in him, the people themselves will contribute to the destruction of the vessel, whereas if the people have confidence in him, their conduct, their behaviour, their steadiness, will save the vessel in perilous times. I do hope that such a calamity to India will be saved by the King, as I am sure India will be saved from such a calamity by God.

"My Lord, about this time last year, I asked one or two questions in this Council in order to ascertain the number of Indian Christians in India, and as to whether there were any special provisions with regard to their education. The answer given to me was that the number of Indian Christians is a little over 3½ millions, and in answer to the question whether there was any special provision made for the education of this class, Government said, 'It is understood that special provision is made in certain places for the education of Indian Christian boys and girls, but the Government of India have no precise information on the point'. There is no provision for this purpose even in the present Budget. This answer shows that the Government of India have left 3½ millions of people in the cold. There is actually an apathy, there is a want of concern in the education of these people; and it is no wonder that abroad, thousands of miles away from this place, queries have been put as to whether the Indian Christians have not rendered themselves useful to Government in public services, and useful generally in the private walks of life. If that community had a representative here, he would certainly have been in a position, from his seat of authority, to answer those questions, to show how unjustifiable, how underserving,—if the Government of India means to show apathy to this class,—is such apathy. But there is no representative of the class here, and consequently, as a member of that community, I beg to draw the attention of Government to the fact that in several departments, almost in all departments of the public service, members of the Indian Christian community have rendered distinguished service If we go to the Medical College in Calcutta, we shall find that there have been professors who have rendered very useful service and added to the popularity of the institution. If we go to the Senate House in Calcutta, we will find there things to remind us that the Indian Christian community has not been behind other communities in fostering and helping onward the progress of education. It will not be possible for me to refer to the lives of these men, for if I were to do so, I suppose the time limit would terminate my articulate life here long before I could describe their lives.

"My Lord, as regards the loyalty of the Indian Christians, that was put to a very severe test in the last century, and yet I find that, notwithstanding the answer given a year ago, there is no provision in the present Budget for the education of the boys and girls of the Indian Christian community; and yet there cannot be the least doubt that they have need of special education; and the reason for this neglect seems to be that they have no representative in this Council.

"My Lord, it is a strange and curious fact that the Indian Christian community is the only Indian community whose laws of succession, marriage, testamentary dispositions, and divorce were forged on the anvil of this Legislative Council. Laws of succession, laws of marriage, form as it were the foundations of any society or community. Hindus and Muhammadans have their laws which are drawn from the *Shastras*, etc., and those laws of succession, marriage, and divorce, which apply to Indian Christians at the present day, were not made to suit the requirements of that society, but though they had been originally framed to suit the requirements of another society, they were extended to this society. So it was really like putting new wine into old bottles. The result has not been very favourable, but simply because there is no representative of this community on this Council, the inconvenience which it suffers has not been brought to the notice of the Government. The last census shows that between 1901 and 1911 the community has grown by 32·6 per cent. It has been more than doubled since 1881 and it has been trebled since 1872.

"In referring to this matter, I should like it to be distinctly understood that it is not my intention, far from my intention, to disturb any of the existing representatives in this Council. The Indian Christian community have been treated with kindness and confidence by the Hindus, Muhammadans and non-official Europeans. Electorate bodies consisting of these men have elected Indian Christians as their representatives in the Legislative Councils. I would be earning for myself and for the community ingratitude if I were to say that there should be a seat for the Indian Christian community at the expense of any other community. But what I do believe, Sir, is that there is ample room if the latch of the door is a little slackened, there is ample accommodation for one more seat. I will conclude this part of my appeal with the Latin expression *at spes non fracta.*

"Reference has been made, My Lord, very often in this Council to the industrial problem before us and the question was raised in very eloquent terms by the Hon'ble Mr. Banerjee when he was addressing the Council a few minutes ago. The insistence with which this question has been brought forward, the earnestness with which it has been pressed forward, shows that there is a very strong feeling in the country about it. At least I should like to draw the attention of Government to the existence of such a feeling. The feeling in the country is that Government ought to feel its obligation to help the development of industries in this country. Every Government, of course, is under the obligation to develop the industries of the country in order to bring about and increase the prosperity of the country; but in this particular case an additional moral obligation has been superadded. There has been an industrial awakening in the country during the last few years, and this industrial awakening has led to a study of the industries of India in the past. As a study of history of the past has led the people to believe that the decadence, decline and the present wretched condition of industries in India are due to a great extent to the insalutary influence of British rule. That is the feeling of the country and hence arises a moral obligation on the part of Government. That is the feeling of the weaver who has taken to the plough, leaving his loom; that is the feeling of the artizan whose hand stands paralysed to-day; that is the feeling of the artizan's son who took to English education with a view to get employment as a clerk, but failed to secure such employment; and that is the feeling of an old man who has associated intimately with artizans during the last quarter of a century and has noticed their struggle for existence. We Indians, My Lord, always look upon people in authority with feelings due to a father and naturally expect sympathy from them. I know feeling is mere sentiment, and a sentiment has no value at the Royal Exchange in London; but a sentiment is an invaluable asset to the credit of a foreign Government. I do not wish to go into the details as to how and under what circumstances British influence exercised an insalutary influence over Indian industries. That may land me on dangerous ground. That may lead me to exhume the bones of people in authority who exercised their influence and the influence of their position and authority to bring about injury to the interests of India and such dead bones turn living human beings into dogs. At a time like this, when we were driven the other day to the necessity of passing an emergency measure for the safety of the Empire, I do not propose to enumerate or analyse or examine the reasons. I have very often noticed that the Hon'ble Member in charge of Commerce and Industry in his replies used the expression 'Government cannot do this, Government cannot do that.' While listening to his replies sometimes, My Lord, I felt as if I was listening to the voice and the sentiments of the London Chamber of Commerce, and I admired his speech as a successful feat of ventriloquism. My Lord, such replies in a debate in this Council do not produce the balm of Gilead to disappointed feelings; they simply tend to intensify the feelings.

"My Lord, I feel that, at no time in the history of England were the principles of international justice, the principles of international morality, and those noble principles which regulate the reparation for wrongs done by a stronger nation to a weaker, at no time were these principles so prominently before the British nation as they are now; in consequence of the wrong done by

Germany to Belgium The whole nation's sympathy has been aroused. The whole nation has been roused with righteous indignation and millions have formed themselves,—the whole nation in fact, young and old, rich and poor, have formed themselves into one body, one soul,—the whole nation is (as if it were one man) inspired with a martyr's fiery zeal. On the other hand, we have a Viceroy whose keynote of administration has been sympathy for the people and confidence in the people, and who has abided by that policy in times of suffering, bereavement and trial. I should at this time beg, entreat and beseech the Hon'ble Member in charge of the Department of Commerce and Industry (unfortunately he has gone away at this time) to take note of this : not only to concentrate his attention on the economic principles which govern commerce in England, but to take note of past events in the past connection of England with India ; to take note of the moral obligation which arises out of that past connection, and to address himself to the problem before him ; to take the people into his confidence and then to sit down and see if anything cannot be done to help the people in this industrial awakening—"

His Excellency the President :—" I must ask the Hon'ble Member to conclude."

The Hon'ble Mr. Das :—" I beg to conclude."

The Hon'ble Mr. Dadabhoy :—" My Lord, the Finance Minister who can do without additional taxation in spite of an estimated deficit of 9½ million pounds sterling in the two years covered by the Financial Statement, certainly deserves the best thanks of the country. I do not know which to admire most in the Hon'ble Sir William Meyer,—his sympathy, his level-headedness or his resourcefulness in a situation the inherent difficulty of which has been increased tenfold by its extreme uncertainty. The maintenance of exchange for one thing, was enough to strain to the utmost the energy and the capacity of a lesser genius. The financial trouble of 1907 and 1908 was as nothing compared to the present crisis, and yet sterling exchange is as firm to-day as ever, and Council Bills for fairly heavy amounts have begun to be placed on the market at 1*s.* 4*d.* for Telegraphic Transfers and $\frac{1}{32}$nd penny less for D. A. Bills. The tone of the market from all reports is very firm. This is a complete answer to Mr. Enever Todd's alarming description of the situation in the *Investor's Review*. If trade had continued as dull as in autumn last, a further and dangerous depletion of the Gold Standard Reserve would perhaps have become inevitable ; but indulgence in hypothetical complications is needless. The position is decidedly brighter now than it ever has been during the last eight months, and it is but just that the Minister who has steered us safe through the crisis should have our warmest felicitations.

" My Lord, the financial strength of Government, so skilfully maintained by the Hon'ble Sir William Meyer, ought to inspire general confidence. Of the net estimated deficit of 9½ million pounds sterling referred to above our special war expenditure accounts for 6·7 million pounds sterling. The balance is less than the amount of normal annual borrowing for capital outlay on railways. Ample provision has also been made for railway expenditure in 1915-16. Indeed, practically the whole of our estimated borrowings next year will be necessary for financing our railways and irrigation works, the capital outlay on both being taken at £9·1 million pounds sterling. And this despite of a heavy falling-off in revenue synchronous with extra heavy unremunerative expenditure. The total of our ordinary debt, as the Hon'ble Finance Minister has pointed out to us, is negligible. It has gone on diminishing heavily, until we have reached the extremely low level of 12·8 million pounds sterling against a productive debt of 261·4 million pounds sterling. The Rupee Paper too continues firm. The total unfunded debt of 20½ million pounds sterling is not onerous. The Government Reserves are ample, and the estimated closing provincial balances at the end of 1915-16 are sufficiently strong. The whole position is thus satisfactory. There is absolutely no cause for alarm. On the contrary, business is looking up, and the prospects of normal revenue are distinctly encouraging.

"My Lord, the announcement in the Budget relating to the proposed Rupee Loan demands a few observations. The Hon'ble Sir William Meyer has made a significant reference to the terms and the character of the loan. Evidently, this issue will be of a special nature. There is absolutely nothing to be said against the reservation by Government of complete liberty of action. All announcements of loan are subject to this necessary condition. What is peculiar in the present statement is the allusion to a possible variation in the usual terms. We do not know what schemes the Hon'ble Finance Minister has in view, and it would be premature to attempt to make any helpful suggestions; but my submission is that Government will be pleased to very carefully consider the probable effects of a change in the level of interest upon the existing heavy loans. I do not suggest that a change is unnecessary; on the contrary, I am of opinion that if in the exceptional condition of the market the three-and-a-half per cents do not gain in popularity within a short time, the proposed loan must carry a higher rate of interest to make it attractive to the Indian investing public. But the possible results of such a change must receive due consideration at the hands of Government before it is made. Should the present market for three-and-a-half per cents be further depressed, it will have the effect of a heavy imposition which is likely to cause not only loss to the holders, but discontent. There is also the necessity for caution lest an increased rate of interest forces Government Paper into an undesirable competition with the Port Trust and Municipal Debentures. The position requires delicate handling, and it is eminently desirable that the conditions of the new loan should be settled by Government in consultation with financial experts and dealers. The Hon'ble Finance Minister will have a precedent for the suggested course in the procedure adopted by the Chancellor of the British Exchequer not very long ago with conspicuous success. A secret conference of a few trusted representatives should be able to give Government sound advice in this matter of the new loan. The question of issuing metallic 4 per cent Bearer Bonds for small amounts, redeemable at short notice through the Post Office, may also be considered by Government before determining finally the particulars of the proposed loan. These will possibly attract into the field a new and humbler class of investors.

"My Lord, the war has focussed public attention in India on the Post Office Savings Banks. The institution is popular, and discharges very important functions. The deposits had gone on increasing heavily until the war created somewhat like a panic among the common people which led to sudden withdrawals. This of necessity caused a great strain upon the financial resources of Government, at a time when they were adversely affected in various other ways to an enormous extent. It has likewise caused a large loss of interest to the misguided depositors. It is welcome news that 'the drain has materially slackened'. Before long we expect a healthy reaction. But I would request Government to consider the advisability of increasing the rate of interest upon these deposits by, say, half a rupee per cent. We have here to deal with a poor class of investors to whom any favours shown in this direction will be most welcome. Sometime ago the rate was higher. I do not know why it was reduced; in my humble opinion, a slight increase will popularise these banks still further, and Government will have always ready to hand an increasingly large amount of cash for remunerative employment. The Hon'ble Sir William Meyer has done a great deal to make the deposits attractive. I hope he will increase their attractiveness in the way suggested even though it involves a small addition to our annual expenditure in interest charge. Rupee Loans are floated generally at a discount; the interest is paid on the face value. It would be far more economical to pay the same rate of interest upon a debt which is raised at par.

"My Lord, the Hon'ble Finance Minister has very thoughtfully added to the Financial Statement a detailed account of the provincial balances. It is helpful to a degree. The value of the annual Budget would be still further enhanced by the addition of a detailed statement of the expenditure for Education and Sanitation, both Imperial and Provincial, recurring and non-recur-

ring. In the Financial Secretary's Memorandum details of the Capital Expenditure for Railways and Irrigation are shown separately. It helps the public to have a clear grasp of the situation. An account, on similar lines as far as possible, regarding our Expenditure for the promotion of education and sanitation would dispel misconceptions, though it is not capital outlay, and would give us a knowledge of the details which is the first enabling condition for helpful criticism. At present we cannot ascertain from the memorandum what and how many schemes are proposed to be financed and what and how many are held back. This absence of fuller information may, and sometimes does, give rise to misapprehension.

"My Lord, the serious situation created by the unexpected depression in cotton has been handled by Government with commendable promptitude and boldness, and it is just to mention that the action has had upon the people a great moral effect. Prices have stiffened somewhat; a still better tone should prevail in the trade before the next *kharif* is sown. The important question, however, that confronts us is, whether the cultivation should actually be restricted. I would not, upon the materials before me, hazard an opinion one way or the other. I only submit, for the consideration of Government, that careful inquiries should immediately be made, with a view to ascertain the quantity of unsold cotton in the market. If in the result it appears that there is still a large stock of it, the proposed restriction upon cultivation should be enforced; if, on the other hand, the inquiries show that the stock is small, all restrictive action on the part of Government should be abandoned. Cultivation cannot be changed all at once without some inconvenience and loss to both the cultivator and Government, as in the event of a change a revision of the revenue assessment on a lower scale must become necessary. Any further interference with the normal course of cultivation should accordingly be undertaken after a close examination of the needs of the trade.

"My Lord, the Hon'ble Sir William Meyer has referred to the injurious effects upon the internal trade of the stampede among the Marwaris at large business centres. It was an imprudent move, inconsistent with the shrewd business habits of these people. It is, however, a reassuring fact which Government ought to know that individual Marwaris here and there did stick to their business, and prominent among them was the Hon'ble Diwan Bahadur Sir Kasturchand Daga in the Central Provinces. This premier banker in India was throughout the crisis always ready to finance trade, and did finance a large volume of it even at some personal sacrifice.

"My Lord, in dealing with the Financial Statement on 9th March current, the Hon'ble Home Member drew public attention to the paramount necessity of increasing our expenditure for the Police, and, truly, a more important department of civil administration it is difficult to find. The Police force, connected as it is with the every-day administration, renders perhaps a greater service than even the military. I have as high a conception of the arduous duties of the police as the Hon'ble Sir Reginald Craddock, but I go further even than he in my recommendations for larger expenditure for the department. In my humble opinion, there is ample scope for the profitable employment of all the funds that the Government can spare for this purpose for years to come. The Indian Police Commission found that 'the police force is far from efficient; . . . it is generally regarded as corrupt and oppressive; and it has utterly failed to secure the confidence and cordial co-operation of the people'. Efforts at improvement have been made all these years at some considerable expenditure, but they have so far touched only the fringe of the problem. The public verdict to-day is hardly more favourable. The great defect is the Police is as disassociated from the people as ever, and does not enjoy their confidence. This cannot be all the fault of the people. The Police must inspire public confidence and attract public co-operation. It has admittedly not done this; it has thus failed to discharge one of its most important functions. This absence of confidence and co-operation between the Police and the people is not endemic in India. It was noticed even in England by the

English Police Commission of 1839, but whereas there the Police has by its subsequent excellent conduct become the trusted friend of the people, the Indian Police, by following an opposite line of policy, is becoming isolated more and more every day, shunned and distrusted by all. The Indian Police Commission made certain recommendations for improvement on the analogy of the Indian Judicial and Revenue Departments, but these did not go far enough. In my humble opinion, the Provincial Police Service should be placed on the same level as the Provincial Judicial and the Provincial Executive service, with the same scale of emoluments and the same position, and the qualifications for appointment to it should be as high. It is only by the large admission of men with the highest educational qualifications into the service that it can be effectively improved. Patchwork reform will not do, but a root-and-branch reform is needed. A sprinkling of graduates among a large mass of indifferent material cannot effect much. It is a matter worthy of notice that the experiments so far made in some provinces of appointing a few lawyers to the Police Service as Court Inspectors appear to have failed. Most of them, especially in Bengal, have left the service after several years. There must be some reason for their action. It is not every lawyer who earns a handsome income at the bar; yet why is it that these lawyers have preferred to face starvation there to continuing in office under Government with pay prospects? This is a case for inquiry, and the sooner it is undertaken the better for all concerned. Investigation of cases also is as unscientific as possible. An expert from London should be able to suggest a remedy for the existing evils. The cost incurred in securing the services of such an expert will be money well spent. I am confident this matter of Police reform will engage the earnest attention of Government.

"My Lord, we are to-day afflicted by the thought that before we meet again at Delhi, Your Excellency will have completed your term of office. Your Excellency has by your remarkably able and sympathetic guidance, inspired in the people such great confidence that the prospect of your retirement before the war comes to a successful termination is not only distressing to them, but is viewed by them with deep and unfeigned concern. Amidst physical suffering and bereavements, amidst administrative worries and dangers, Your Excellency has been as a rock unmoved in your firm faith in the nobility of your mission and the high purpose of your enlightened statesmanship. India can ill spare such a Ruler now. As a representative Member of this Council, I humbly pray that His Majesty will be graciously pleased to extend Your Excellency's term of office at least till the war is over".

The Hon'ble Maharaja Manindra Chandra Nandi:—"My Lord, I congratulate the Hon'ble the Finance Member on the highly satisfactory able and clear Financial Statement that he has presented to the Council. During the financial year that is about to close the Government have had to deal with an emergency as unprecedented as it was unexpected. This time last year no one in this Council had any premonition of the war which is now raging and the Budget for 1914-15 was prepared on a peace basis. Nevertheless, since August last and onward war conditions with all the consequent dislocation of trade, financial panic and falling off of revenue have prevailed and yet, as the Hon'ble the Finance Member has proved to conviction, the financial position of the Government of India was never stronger than it is to-day. True, the estimated surplus of £1¼ million for 1914-15 has been converted into a deficit of £4 million, while under Unfunded Debt there has been a drain of nearly £7 million. But this does not by any means disclose an alarming position of affairs in view of the heavy strain caused by the war.

"The revised estimates for 1914-15 show decline of revenue under many heads, the largest being under State Railways. An unfounded sense of insecurity led to large withdrawals from Post Office Savings Banks. The trade with enemy countries entirely ceased, while trade in other directions languished. The position became as grave as can be conceived and we are still in the full tide of the crisis. But the credit of the Government remains unshaken and the financial position is as sound as ever. To other difficulties that the Government have had to face has been added the alarming rise in prices which has

led to the restriction of the export of wheat. It is gratifying to note that prices are now easier and the prospects of the next crops most cheering. In the budget estimates for 1915-16 no additional taxation has been announced and this is a fact upon which the Government must be congratulated.

"The Hon'ble the Finance Member proposes to raise a loan of 4½ crores later on in India, or to increase the borrowing from the Gold Standard Reserve. He has rightly proceeded on the assumption that the war may continue throughout the next year. The reduction of the Railway programme from £12 to £8 million is a wise step and the curtailment of expenditure in other directions is inevitable. It is particularly gratifying to me that, as announced by Your Excellency a few days ago at Calcutta, 10 lakhs of rupees have been given to the Calcutta University for hostels. The sanitary condition of Bengal is very bad, some additional allotment under this head would have been a great boon in Bengal.

"My Lord, the terrible drain in men and money demanded by the war shows as yet no signs of abatement, but we are convinced that the worst is over and the tide will soon take a decisive turn. When at length peace is restored, the British Empire, of which India is so important a part, will enter upon a fresh period of financial and material prosperity".

The Hon'ble Mr. Marshall Reid:—"My Lord, on a previous occasion I referred to this Budget as being essentially a business-like one, and it certainly cannot be described in the language of high financial authorities as 'over-cautious.' It forms a pleasing contrast to a budget of not very many years ago when, to meet a not unusual temporary strain, taxation, some of it of a rather parochial and petty character, was resorted to: unfortunately this temporary taxation, like its great predecessor the income-tax, has still continued with us. To meet the unusual situation unusual borrowings have been necessary, and we have again in this connection to recognise the acumen of the Hon'ble the Finance Minister; low discount rates in London evidenced the large sums of money which were awaiting investment and the Government have very properly resorted to that market. Where can English money find more secure investment than in a prosperous and loyal India with enormous securities in its railways, and—in spite of what some of my colleagues have been saying—very profitable railways indeed? Railway construction, for which some of us have pressed, incidentally provides gilt-edged securities which on occasions like this stand us in very good stead. We have cheerfully accepted eight millions as our railway allotment for the coming year, but we hope that the deficit will in future be made up to us, and that a higher standard, something like 15 or 16 millions, will be adopted for the future.

"I desire to offer one little criticism on the budget: the possibility of a 4½ crore rupee loan has not been well received in the market, and a good market is of paramount importance to Government: I assume that the operation is not seriously contemplated, and no doubt the Finance Minister has other alternatives up his sleeve: I would suggest that he should put those other alternatives in the forefront and put the 4½ crore loan in the background.

"I regret, My Lord, it has been necessary to retard the progress of New Delhi. Some Hon'ble Members and their constituents may have reasonably considered that the scheme has its defects as every scheme in this world has: but it is a settled fact, sealed by the command of the King-Emperor and supported by the very strong argument of decentralisation. I hope that the Delhi to be—call it ceremonial or what you will—will not take long to quicken into a living city.

"The development of indigenous industries has taken a very prominent place in the budget debate. I regret that no practical conclusion has been arrived at, but it is no wonder, for it is indeed a very complex problem. Hon'ble Members have generally been agreed that the disease of backwardness

exists, and they have almost all suggested the same remedy, Government financial aid, but I have not heard any serious attempt to diagnose the disease. My own personal experience in industrial matters is somewhat limited, but I would offer my suggestions for what they are worth: the first essential in industrial success is industry and energy: are the people of India industrious and enterprising in the Western sense of the word? I fear the answer must be, 'No|'. I have not myself during my experience seen any great industrial enthusiasm: I know of classes of workers whose hours and whose days of work are regulated by the price of food-grains, and whose ambition is limited by the immediate needs of the mouths they have to feed. Then there is the rather better educated class whose western counterpart combines brains and hands in harmony to raise the standard of industrial development: that better educated class which we have in India and which we should expect to do this work, have not yet fully appreciated the dignity of manual labour: under such conditions progress and efficiency in industry must remain imperfect. There was a striking illustration at the outbreak of the war as to the extent to which Indian industry has progressed: merchants sought to replace German wares in the Far East and other markets by Indian manufactures My own experience and that of many others was that we were met with the reply that Indian manufactures were unreliable, irregular and could not be guaranteed. The remedy must be slow, and it is difficult to know where to begin; but much will be gained if the disease and the trouble can be truly diagnosed. The perspective of the question has been somewhat upset by the assumption that German industry and enterprise were to be destroyed, and were to be replaced by indigenous industries which would grow up in a night. But Hon'ble Members should be under no delusion in this matter. It has taken years of patient toil to develop the spirit of industrialism in Germany and it cannot be destroyed, for it is the very life-blood of the country.

"Those who know the facts will confirm what I have said and will not desire for the good of the world to see German industries and enterprise destroyed. India, in her own interests, certainly cannot wish to see German industries destroyed, for when the end of the war comes we shall look to regain one of the largest and most important markets for the produce of this country. The fate of the British dye scheme shows that England fully recognises the essential features in the position: the original scheme provided for £1½ millions of Government money and £3 millions were to be subscribed by those who were interested in the manufacture. A fortnight ago we learned by telegram that the scheme had been altered to £1½ millions Government money and £½ millions public money: we learned yesterday that the scheme had been dropped entirely because hard-headed Englishmen and hard-headed Scotchmen had made up their minds that to compete in the market against a foreign article for which they are not well placed is mere waste of money. Now, what can Government usefully do in the way of developing industries in India? Hithereto, from my own experience I can say that they have done much useful work in demonstration; the practice has been for Government, when they are satisfied that an industry is likely to succeed, to buy experimental machinery and lease it to those, whether Europeans or Indians, who are willing to take it up, work it, develop it and report to them the results. Your Excellency, I regret to say that there is only one Presidency in India which is completely equipped in this respect. If I were to make a recommendation to Your Excellency's Government it would be to lay aside a considerable sum,—even take a little from our railway allotment of 15 millions—in order to equip and develop departments of industry in this country. I finish as I began by congratulating the Hon'ble Member on his most business-like budget and trust that the courage which he has shown in framing it may be duly rewarded."

The Hon'ble Raja Abu Jafar:—"My Lord, I have no desire to criticise the Budget or to discuss the various aspects thereof. But I cannot refrain from expressing my entire satisfaction at the fact that the Finance Member has been able to produce such a satisfactory Budget at such an abnormal time without imposing fresh burdens on the country, which in her

present economic condition she is quite unable to bear. It is a triumph for which the Hon'ble the Finance Member deserves our heartiest congratulations.

"As a representative of the United Provinces I cannot help expressing the deep feeling of disappointment with which the people of my Province have heard of the attitude adopted by the House of Lords in the matter of the creation of an Executive Council. My Lord, it was a wise and necessary measure of reform which Your Excellency's Government recommended Parliament for acceptance. Our Province has been fully ripe for such a reform for many years. It is obvious that the Governors of the provinces are overburdened with the heavy and daily growing work and responsibilities and under such circumstances an Executive Council was most essential in the interest of greater efficiency in the administration. In the course of the debate in the House of Lords it was pointed out that only a small body of opinion in our Province was in favour of this proposal. With due deference to their exalted knowledge, I may be permitted to say that this statement is quite contrary to actual facts. I know that an overwhelming consensus of opinion in the United Provinces is keenly in favour of such a reform, and I earnestly trust that the Government of India will again press the attention of the Home authorities to the urgency of the reform and secure the necessary sanction at an early date."

The Hon'ble Mr. Barua:—"My Lord, I take this opportunity of joining hands with my colleagues in congratulating the Hon'ble Finance Minister for so successfully wading through a year of great strain and stress. We cannot but admire the great tact and foresight with which he manipulated the extraordinary financial situations created during the year from time to time. The prompt steps he took to avert a threatened break in exchange, the timely strengthening of the Presidency Banks and the credit of the Post Office Savings Banks, the facilities for easier encashment of Currency Notes, all speak of the great resourcefulness and ability of the Hon'ble Finance Member, which not only saved a threatened financial crisis and dislocation of trade and commerce, but had also important political consequences in restoring confidence of those who were upset by misguided theories about the war. The adjustment of the finances to different heads of expenditure, allowing progress on all heads with only such restrictions as are unavoidable, similarly point to the great skill and practical wisdom of the Finance Minister, which we cannot but admire. The changes in some forms of accounts which he has introduced both this year and the last are also of much practical utility and I feel sure have been greatly appreciated by many of my friends as by me. We are grateful to Sir William Meyer for all the pains he has taken, and we are happy that at such a critical time we have the services of so able, cautious and sympathetic a Finance Minister. We are equally grateful to Your Excellency that your broad-hearted sympathy and feeling for the people of India have saved them from any fresh taxation as a consequence of the war.

"If we review the spirit of this Session of our Council we feel, from the interpellations made and resolutions moved, that the things that have greatly exercised the minds of the Indian Members are the high prices of food grains and the development of industries. These two questions are really predominant everywhere to all thinking minds in India.

"The Hon'ble Commerce Member has given sympathetic consideration to both so far as they have been brought forward. The bold and comprehensive step —as he calls it—which is going to be taken about the export of wheat is perhaps the best under the circumstances stated and reasons given by him, and I greatly hope that the desired relief will come out of it and it will prove to be the best and most reliable method. I am sorry to find, however, that the project appears to be confined to wheat alone. It is not the fact, however, that the rise of prices is confined to wheat alone; it extends to many other food grains and stuffs in a greater or lesser degree. It will of course be absurd to ask the Government to take the same steps with regard to all. But one other item there is which, I think, deserves equal treatment—I mean rice. As wheat is

the staple food in some parts of India, so is rice in many other parts; and the rise of price has been as significant in the case of rice as in that of wheat I understand there is an export duty on rice exported from Burma Much of that rice comes to and is consumed in Bengal and Assam too. So the effects of that taxation does not so much come to the relief of India The rise of price in Bengal and Assam has of late years been phenomenal, and this year the price in some districts of Assam has been singularly exceptional. I think rice therefore is also a commodity in regard to which the same precautions should be taken as in regard to wheat: and I greatly hope that the Hon'ble Commerce Member will see his way to include both rice and wheat in his scheme of Government control of export.

"With regard to industries we are grateful for all the steps that the Hon'ble Mr. Clark has shown us have been taken. I venture to think, however, that those steps are not enough to meet the present situation and aspirations of India. The question is a vast one and cannot be discussed or decided off hand. India cannot be judged on the lines of England in respect of her industrial undertakings or propensities. And the policy that works well in England cannot be expected to apply to India. She looks to the Government to shape her in the industrial field by special measures suitable to herself. The question of developing Indian industries has been exercising the minds not only of the Indians alone but also of many European officials who are anxious to push India on to prosperity; as one of them I may point to our good Commissioner to my right. But under the present policy of Government they have to make a halt when they come to the question of ways and means. I respectfully submit, My Lord, that a more extensive and liberal policy is necessary to be shaped for India on its own lines. Nothing short of a policy like the Railway policy will meet the demands of the country, and I feel convinced the country will be prepared to bear the burden. Bounties, subsidies, and even partnership by Government as well as guidance and supervision are in the present stage of India necessary to induce private capital, which is so shy, to come out to the field of enterprise; when the people will under such guidance and support be widely and extensively trained in western methods of business and will begin to have a confidence in their own undertakings, there will be no longer any need of such extra privileges; but till then the Government should I think be prepared to conceive and shape a comprehensive policy to help the people. It is not the time to-day to dilate on this vast subject. All I beg to submit is that it will be no labour lost to Government to consider seriously the subject and formulate a policy of its own to make possible the rapid development of this vast Empire into an industrially and commercially prosperous country.

"Not the least important of the works of this Council is the introduction of the Hindu University Bill, which has been hailed with satisfaction by many of my hon'ble colleagues and introduced with such a charming and sympathetic speech by the Hon'ble Member in charge of the Bill. This Bill will mark an epoch-making change in the policy of Government hitherto followed in the matter of education. I must admit that I have not as yet been able to disabuse myself of the misgivings shared by some of my friends about the ultimate effects of the new university and the altered policy of the Government. Let us hope that the outcome of this University will not be a revival of all the mischief that Hindu orthodoxy had brought upon India in the past, that it will not re-enact the domination of caste over caste and the creation of faction over faction, making the regeneration of India on modern lines impossible or remote, that it will not counteract the unifying influence of English education or make Hindus, Muhammadans and other sections of the Indian population vie with each other in moving on parallel lines which can never meet.

"To speak a few words about my own Province. In my speech on this occasion last year I alluded among other things to the great and trying need of the Province for improved communications. This year I intend to return briefly to the same subject and to mention in particular the matter of railway extensions. The opening of the superb Hardinge Bridge should see the dawn

of a very bright era in the matter of increased railway facilities for Assam. With the Eastern Bengal Railway line made broad gauge (a project which all interested devoutly hope will be accelerated) as far as Amingaon and Tangla will give no breach of gauge between Lower and Central Assam and Calcutta. The extension of the Eastern Bengal Railway system from Tangla up the north bank of the Brahmaputra into the important tea districts of Darrang and Lakhimpur is a matter which should continue to receive due consideration; such extension would benefit not only the exporters of tea but the people of the north bank of the Brahmaputra generally and would also give Government another important strategic line to the north-east frontier. Then there is the question of linking up Assam and Burma by railway, a subject alluded to in Your Excellency's speech on the occasion of the opening of the Hardinge Bridge. Burma, I venture to think, will be as interested in such a scheme as Assam, especially those who have cause to remember the recent exploits of the *Emden* in the Bay of Bengal. We shall be interested to hear the results of the several reconnaissance surveys of routes for such a railway, and we hope that this very important matter will continue to receive the very careful attention it deserves.

"Another point that I would take the liberty of briefly alluding to on this occasion is that the Province is keenly feeling its complete want of representation in the bench of the Calcutta High Court, within whose jurisdiction the Province has all along been put. Up to date there has not been a single Assamese Judge in that honourable Court. The want of qualified men might have been a cause of this in the past. But now, I venture to think, that cause no longer exists and there are men fit to hold the post of a High Court Judge, and I hope such men will not be wanting in the future. I greatly hope and sincerely pray that in the interests of and in justice to the Province Your Excellency will be graciously pleased to give the matter your due consideration.

"In conclusion, My Lord, may I be allowed to submit that Your Excellency's approaching retirement is really becoming a matter of grave concern in all parts of India. We feel that the saddest moments of Your Excellency's life have been spent in India, and it may be cruel to ask Your Excellency to spend more of your time in the service of this country; but if we can do so without hurting Your Excellency's feelings we would solicit that if His Gracious Majesty, in response to Indian feeling, be prepared to extend Your Excellency's period of Viceroyalty in this Empire at least till the end of the war and perhaps for six months afterwards, Your Excellency may be pleased to consent to vouchsafe to us the privilege of being governed by you till then."

At this point the Council adjourned till half-past two. On re-assembling—

The Hon'ble Sir Fazulbhoy Currimbhoy said:—"My Lord, the exceptional circumstances of the year enjoin upon us caution in dealing with the Financial Statement and the excellence of the Budget for the ensuing year limits to an inconvenient degree the scope of useful comment. The Hon'ble Sir William Meyer has taken the country by surprise by squaring the accounts without fresh taxation. It is a bold attempt in which he has the good wishes of the whole community. I beg on behalf of my constituents to congratulate him on his Budget. The chief point of interest is that he has made the country almost forget the serious economic and financial effects of the war.

"My Lord, the Hon'ble Finance Minister is right in providing for a fresh Rupee Loan. I have always held, and I emphasised the point last year, that the Indian money market is not fully exploited by Government for their annual borrowings. In the current financial year the Hon'ble Sir William Meyer for the first time raised the amount of Rupee issue to five crores. He may have had his doubts, but I never had any doubt about the success of his policy. In fact, I pointed out that more than five crores could easily be

raised and the facts of the last loan have amply testified to the soundness of my contention. The total amount of tender was nearly 12 crores (₹11,76,57,900), and the average rate of accepted tenders was ₹95-9-7. It may be that one Province took up the loan more largely than another, but that does not affect the position of India as a whole. The point is, more money can be raised in this country. Ordinarily, therefore, we should look to the Indian market more than the London market for funds for our capital outlay. It is more to our interest to borrow largely in India. Since the War has introduced new conditions into the market, I share the doubts of Government that unless it is over shortly, the whole of the 4½ crores wanted this time may not be raised on the usual terms The Hon'ble Finance Minister has reserved to himself the right to vary the terms according to the needs of the situation I only hope he will bear carefully in mind that, although the higher rate of interest may ensure the success of the new loan, it will as sure as anything damage the popularity permanently of the pre-war stock. This will be prejudicial to large interests, and perhaps to the success of our subsequent loans. There is thus need for extreme caution in floating the loan. It is indeed possible to counteract the effects of an increased rate of interest by regulating the conditions, and we await with anxious interest the Hon'ble Sir William Meyer's further pronouncements on the subject. If the proposed loan affects the pre-war stock to a large extent, the existing balances here and in England should be drawn upon more largely by Government.

"My Lord, the Hon'ble Finance Minister has also referred in his introductory speech to the character of the proposed loan. It is difficult to form an exact idea of what he means, and this is a matter in which a fuller statement would have been unwise. The only point I would now press upon his attention is that, along with the conditions of the new loan, he will be pleased to consider the advisability of issuing in future special 4 per cent railway loans. These are bound to be very popular.

"My Lord, I cannot condemn the curtailment of expenditure to which pointed reference has been made by the Hon'ble Sir William Meyer, but I beg to submit that it has caused difficulty in the provinces. In the Bombay Presidency many a necessary expenditure has had to be put off indefinitely. From the official speeches on our Provincial Budget it appears that Government had to reduce considerable amounts which Government had hoped to spend mostly on the Borstal Jail at Dharwar, and to reduce the expenditure on jails to its very minimum. The provision for the reorganisation of the police had to be cut down, so much so that 'those responsible for the administration could not acquiesce in any further curtailments'. 'Several important matters had to be deferred altogether'. The educational interests of the province have also suffered in consequence of the reduced expenditure, Government 'had to postpone some of their important schemes', and to omit 'a sum of one lakh for opening more schools and another lakh which was given for teachers for those schools'. Sanitation, too, has perforce to be neglected, for the time being, at least. 'Several applications for sanitary projects' had to be refused. But I frankly recognise this is to some extent unavoidable. We expect, however, that when the finances improve, the Hon'ble Finance Minister will treat the Province with extra liberality proportionate to the large sacrifice it has made this time.

"My Lord, our provincial expenditure leads me to examine the position of our provincial finance, and I think it is susceptible of improvement. My friend, the Hon'ble Sir Ibrahim Rahimtoola, raised last year the question of provincial settlements. As a matter of principle, the Provinces ought to have the whole income from the taxes that are either provincial or the proceeds of which are at present shared by the Government of India with the Provincial Government, and the Government of India should be satisfied with a lump contribution from the Provincial Government to be assessed in each case with due regard to local conditions. This contribution must of course be subject to periodical revision. The alteration is one of method relating to the collection of the Imperial revenue; a fixed payment is to be substituted for the

present fixed ratio. This would, of course, have the effect of rendering the Imperial revenue inelastic; and to neutralise the evils incidental to such a system, provision may be made for the recovery from the Provinces of exceptional and extraordinary contributions according to the needs of the Supreme Government, assessed on the same principle of provincial ability. Such a revision of the system of provincial payment would strengthen the financial resources of the Provinces, would equalise the conditions of adjustment, and would make the apportionment of provincial liability more equitable. The Provinces would thus have greater fiscal autonomy, and would be free to attain to a development suited to local conditions. If in addition, the provincial funds are made over to the Provincial Government for safe custody and application, subject to the maintenance of an irreducible minimum of balance, the inconvenience of restricted utilisation of large balances, such as is enforced by the Government of India on the present occasion, will be minimised. It is earnestly to be hoped that the Hon'ble Sir William Meyer will take the matter into his serious and favourable consideration. Provincial feeling is, I may point out, strong on this subject.

"My Lord, with a view to help the undisturbed progress of the provinces, an earnest effort should also be made to requisition the services of conciliation boards for the satisfactory settlement of all disputes between different sections of the population. These boards to our knowledge have been started at different provincial centres, and are believed to have rendered inestimable service. We hear less of *Bakr-Id* riots now. It is regrettable this Government has not got reports from the local Governments about their working. In the absence of official reports it is difficult to generalise, but I believe a great future awaits conciliation boards. With more settled conditions Government will find it to its advantage to take the whole question seriously in hand.

"But far more important to the whole country, My Lord, is the other question, namely, the question of emigration to the colonies, which await a statesmanlike and sympathetic settlement immediately after the war. The matter has not been discussed in Council this Session, not because of the absence of a strong local feeling, but because of the limitations under which discussion has had to be carried on, on account of the war. As a matter of fact, whole India is of one mind both as regards the necessity of emigration and the status of the emigrant in the colonies. The time has come when the question of some outlet for our surplus population should be settled in a manner agreeable to our ideas of self-respect and dignity as citizens of the British Empire. And we look up to Government here as also to the Imperial Government for a satisfactory settlement of this question with fervent and confident hope.

"My Lord, I have heard with deep interest the observations of my Hon'ble friend, Mr. Marshall Reid, about the indifference of the people of this country to industrial enterprise. I would like to say much on the subject, but I beg to point out that if Government be pleased to encourage large concerns floated by Indians, something may be done to divert popular energy into the fruitful department of industry. The success of the Tata Iron and Steel Works has been in a large measure due to the support received from Government.

"My Lord, I beg to invite Your Excellency's attention to another matter of some importance, to inconvenience of the existing procedure regarding the introduction of legislative measures in this Council. Bills are now introduced without the Members knowing anything about them previously. The result is that no profitable discussion can take place on the first day about their principle. No doubt subsequently, on the motion for reference to a Select Committee, Hon'ble Members have an opportunity of commenting upon the principle, but it is far more desirable that this debate should precede that motion. My friend, the Hon'ble Mr. Ghuznavi, drew attention to this only the other day, and I believe I voice the general desire of the Additional Members in my plea for circulation of Bills at least a fortnight previous to their formal introduction in Council. Government will not lose anything by the change

in the procedure. The interests of urgent bills are amply safeguarded by the rule under which Your Excellency can suspend the rules of business to enable the Council to consider the Bills at once. Bills of the Provincial Governments are circulated previously without inconvenience.

"My Lord, the whole Financial Statement is overshadowed by war. It is difficult to form even an approximate idea when it will end, but of this much we are sure, that it will end in a brilliant victory for the Allies and the imperishable glory of the British Empire. All India prays to the Almighty for its speedy termination. It has upset the business of the world. But even in these dark days of national trouble, we find matter enough for self-congratulation. The unwavering loyalty of the people of this country to the Throne has been demonstrated on this occasion in the most remarkable manner, and we owe it to this war that the various units of the great British Empire have been knit together to one solid whole, moved by one common sentiment and one common purpose. Never before has India presented such a united front for the defence of the Empire The different Provinces are imbued with a spirit of healthy emulation. In the Bombay Presidency, though that province from its industrial and commercial position has been the most sorely affected by the war, we have raised forty lakhs of rupees for the War Funds through the admirable organisation initiated by His Excellency Lord Willingdon, and the Women's Branch is doing solid work under the inspiring guidance of Lady Willingdon. The Hospitals started by us for the sick and the wounded in Bombay and at Alexandria are the finest and such as any nation may feel proud of having equipped and organised. The history of all this zealous activity of the people is one, My Lord, of which Government may well be proud.

"My Lord, it is the universal wish of the people of the country that Your Excellency should continue to be at the head of the Indian Administration until we are entirely free from the danger of this war. We have abundant faith in your benevolence and high statesmanship, and we earnestly hope that His Imperial Majesty will be graciously pleased to grant us this our humble prayer".

The Hon'ble Mr. Ghuznavi:—"My Lord, the Hon'ble the Finance Member is entitled to the fullest sympathy of this Council and of the country at large in the difficult task with which he finds himself confronted this year owing to the exigencies of the times After a succession of surpluses during recent years we have come suddenly almost without a warning to a year, when our expected surplus has been turned into a deficit, and this abrupt change, which is accompanied by an uncertainty about the future, all the more aggravates the anxieties of the situation. My Lord, the imprint of war is writ large on almost every page of the Financial Statement that has been presented this year. It has seriously affected the two sources of revenue, namely, Railways and Customs, by the depression and dislocation of trade, with the result that whereas in the first four months of the year prior to the outbreak of war the Railway revenue was some £260,000 in advance of that of the corresponding period of the preceding year, in the six months following the outbreak of the war there has been a decline by £1,490,000. The revenue under Customs has also suffered a similar decline by nearly a million pounds less than the Budget anticipation. But happily such is the elasticity of Indian Finance that it has stood this rude shock uncommonly well. Speaking from his place in Council in 1909, the late Mr. Gokhale said, that never during the last 50 years previous to that period, was there such a deficit as that of $3\frac{3}{4}$ millions. Yet fortunately such is the recuperative power of Indian Finance that even under this heavy blow this year's deficit is less by a million than that of 1909. My friend, the Hon'ble Sir W. Meyer, is therefore all the more entitled to our warm congratulations that in the midst of this raging hurricane he has been able to steer his treasure-ship of State clear of all shoals and he has been able to do so so far without any additional taxation. I therefore desire to offer him my sincere

congratulations on the caution, foresight, clearness and withal firmness with which he has been able to frame this year's budget.

"My friend, however, struck a note of warning in the course of his speech when he presented us with the Financial Statement. He stated that he would not hesitate to propose additional taxation to make good the deficits should it hereafter be found necessary. We all sincerely hope that such a contingency might not arise. But if it were to arise at any time I trust my friend will allow me to make a suggestion beforehand as to the direction such additional taxation might take. I have heard it expressed in many quarters that if Government were in need of any additional taxation owing to the exigencies of the times, the only additional taxation that might be imposed without affecting very much the teaming millions of the country would be an additional income tax, as this would not be so much of a burden to the poor as it would be to the rich.

"*Sanitation—malaria.*

"I would, now My Lord, with your permission, like to say a few words on the situation of the country generally. The first question that deserves our serious attention is the question of sanitation. For it will certainly be agreed that we must first of all live before we can think of anything else. The Government has done a good deal in this direction in recent years but a very great deal yet remains to be done. In many parts of India, malaria is becoming a scourge and in Bengal particularly, it seems to be increasing in virulence. In reply to a question of mine on this subject in September last, as to what steps were being taken by Government to combat the ravages of malaria in different parts of India, particularly Bengal, my friend the Hon'ble Sir Harcourt Butler was pleased to refer me to the annual reports of the several Provincial Sanitary Commissioners. A perusal of those reports, however, is not very assuring. I therefore again respectfully urge on the Government to give their serious thoughts to this question and to appoint a commission composed of officials and non-officials in each of the affected provinces to inquire into the cause of the spread of malaria and to devise further means of arresting the mortality from fever, which is now so much on the increase.

"*Pasteur Institute.*

"My Lord, there is a steadily growing demand for the establishment of Pasteur Institutes in each province. Thanks to the courtesy of my friend the Hon'ble Sir Harcourt Butler, I was enabled two years ago to inspect the Pasteur Institute at Kasauli. When I was there, the authorities convinced me of the fact that after the recent discovery it was no longer necessary to locate Pasteur institutes in out of the way hill stations, but rather they should be attached gradually to the leading hospitals at the head-quarters of each of the presidencies and provinces. There is a persistent demand for it from all the leading associations in Bengal. My friend the Hon'ble Sir Reginald Craddock stated in this Council a few months ago that the Government of India have received no proposals from the Government of Bengal with reference to the location of a Pasteur institute in a wing of the School of Tropical Medicines in Calcutta. Since then many public bodies, notably the Rungpur Zamindar's Association, have memorialised the Local Government on the subject. What I would therefore suggest is that the Government of India should invite the opinions of all local Governments on the subject.

"*Education—Religious.*

"My Lord, I would next draw the attention of this Council to the educational needs of the country and particularly to that of the Mussulmans. We are all deeply grateful to Government for the educational policy which has been set out in the resolution on this subject issued two years ago. We are looking forward to the day when the policy enunciated in that resolution will be fully carried out. The backwardness of my community in matters of education is particularly appalling and I would again repeat in this connection what I

said two years ago that in this matter Mussulmans are entitled to a preferential treatment, which I am sure no enlightened and broad-minded Hindu would grudge us, for they must remember that our educational advancement is equally to their interest. My Lord, it is indeed sad to contemplate how backward the Mussulmans are. To take the case of only Bengal. We find that according to the last census out of every thousand Mussulmans there are only 41 who can read and write. The cause of this backwardness chiefly lies in the fact that ever since the establishment of the British *Raj* in this country, religious instruction suitable to Mussulman boys had been divorced from all educational institutions patronised by Government, and therefore Mussulmans did not avail themselves of these institutions to any great extent. I had the honour of drawing the attention of the Educational Member two years ago to this question and I am particularly grateful to him for the circular which was issued by Government in April of that year to all Provincial Governments: and which in the case of Bengal has resulted in the formation of a Mussulman Educational Advisory Committee by the Local Government. This Committee is at present engaged in overhauling the entire question of Mussulman education. But unless Government are going to find the money for education in normal as well as abnormal times, it will not be possible to effect any real progress. If the existing revenue of the country was insufficient for the purpose, the Mussulman community would, I am sure, willingly submit to an additional Educational Tax.

"*Money accrued as interest on deposit in savings banks by Mussulmans to be used on Moslem Education.*

"Now, My Lord, when I am on this subject, I would like to draw the attention of Government to the sum of money however small to which Moslem community are justly entitled. In September last I inquired to know what was the total amount of money which had accrued as interest up-to-date from the time of the creation of the savings banks, on the money deposited in the said banks by Mussulman depositors who have not drawn any interest on their deposits owing to their religious scruples, and in reply I was informed that that sum had amounted to R2,84,283. This was up to 1912, and it would now probably amount to over 3 lakhs. It is clear that this sum of money has gone to increase the surplus revenue when there has been a surplus, and it has gone to lessen the deficit when there has been a deficit, such as this year. I would therefore respectfully urge that the Government would be pleased to take the first opportunity in ear-marking this amount so that as soon as the present hard times are over it could be spent on some object of Moslem education, such as towards the cost of building a hostel in any part of India.

"*Cause of Temperance.*

"My Lord, I would now draw the attention of this Council to the alarming spread of the drink and drug habits in India During the last few years this evil has been growing apace and has now reached an enormous magnitude, and yet it is extending every day. I do not desire on this occasion to dwell at any length on the dangers, social and economic, that lie before this Empire should a rapid expansion in the consumption of alcohol and drug fix the habit of drink and drug-taking upon the people. I would only say that India has always been a temperance country in times gone by. What the Prophet of Islam forbade more than 1,300 years ago, temperance societies, associations and movements are now trying to do to-day. As far as I am aware, the Hindu religion does not also encourage taking of intoxicating liquors or drugs. Hence this evil of intemperance has come to the East along with the other good things from the West. During recent times the excise revenue has gone up by leaps and bounds. In 1890-91 it was, roughly speaking, $5\frac{3}{4}$ crores, and in 1912-13 it has gone up to nearly $12\frac{1}{2}$ crores. We all know how poor this country is, and with what difficulty the labourer and the poor classes are able to earn a single meal a day, and yet the contribution to the excise revenue from drinks and drugs is increasing in volume day by day. If, in the interests of China our

Government could afford to forego an enormous amount of revenue from opium, are we not entitled to expect the same Government to forego proportionately a fairly less amount in the moral and material interests of the people committed to its charge? At the present moment, absinthe has been forbidden in France and vodka in Russia. I need not recall Lord Kitchener's admonition to the soldiers on this subject soon after the commencement of the war. In France, where the champions of alcohol have a great following in the Chamber of Deputies from time immemorial, even there the *privilege de Bouilleurs de cru* has disappeared. It is high time therefore, I submit, that the Government of India should take some decided steps in the true interests of the people of this country. In this connection, I would ask the Government to consider the desirability of adopting some of the following means in checking these evils.

"In the first place the licensing function should be transferred from the Revenue authorities, the number of licences should be restricted, the maximum quantity to be sold in a day should be fixed, regulations with regard to the opening and closing of drug shops should be made more strict, the sale of alcohol and drugs to women and minors should be absolutely prohibited, and lastly, the principle of local option should be given largely to the people.

"*Preferential treatment in matter of gun licences.*

"My Lord, there is another matter to which, with Your Excellency's permission, I should just like to make a passing reference. It is the preferential treatment in the matter of gun licences and other arms and ammunition, extended to people other than the members of the British race, in this country. With the exception of the smallest minority, the majority of the people of India are loyal to the core. If anything has brought this out in bold relief, it has been this war which we all so deplore, though looked at from other points of view in some ways has been a blessing in disguise. The war has welded together as it were the different heterogenous parts into a homogeneous whole in loyalty and devotion to the mother country. Almost the whole of India of to-day is throbbing with an impulse to serve His Majesty with a devotion broad-based and deep-rooted in loyalty to the Throne. Such being the case it is but natural, particularly to these Indians, who are passionately attached with an intelligent loyalty to the British Throne and the Empire, to feel some sort of resentment when they find that the homeless Armenian, the wandering Jew, the South African, the German or the Greek and such other people receive preferential treatment here in India. Having regard to the unfortunate circumstances which are still present to tarnish the fair fame of Hind, I am certainly of opinion that the Arms Act must yet remain and must be administered with care. But if an Indian of the description I have referred to is obliged to take out a gun licence and renew it every year, why should other people be exempted from the same operation? In the case of an Englishman, if he is true to his race, his instinct will always keep him loyal and therefore when an exception is made in his case, there can be no feeling of resentment. But no such reason exists for making an exception in the case of others, although there are many amongst my English friends who are themselves of opinion that in the interest of British fairness and British justice it is preferable to make the Arms Act applicable alike to all. But that is not my point. What I would respectfully urge is that in the near future when our minds are more at ease and when under Providence victory crowns our arms and our enemies are crushed Government would be pleased to consider the question of so revising the Arms Act that there may be no cause for grievance on the part of loyal Indians who may be also qualified on account of their social or professional rank or position.

"*Inquiry into the rise of price of rice.*

"One word more and I have done. We were all gratified the other day when the Government saw their way to accept in an amended form the reso-

lution which my friend the Hon'ble Pandit Madan Mohan Malaviya moved with regard to the prohibition of all export of wheat from India or the taking of such other steps as may seem advisable to Government to bring down the price of wheat. In the course of that debate I also mentioned that there was a scope for inquiry in the same direction with regard to rice, having regard to the fact of the high price at which rice is selling in the major portion of Bengal, particularly in the north and east. I do not wish to repeat all the arguments which I set forth on that day, but as I did not perhaps make my meaning clear, I wish only to say that what I urged was not to prohibit entirely the export of rice but to leave it to Government to take such steps as Government may think fit to bring down the price of rice, as rice is equally the staple food of millions of my countrymen in my part of the country and as the rise in its price, owing to the peculiar exigencies of the times, is causing the greatest hardship. I would respectfully urge upon Government to make an inquiry with a view to ascertain what step, if any, be it in the shape of increased facility for the importation of rice into Bengal from other provinces or otherwise, may be needed to keep down its price, and I hope Government will be able to see their way to take this matter into their consideration.

"I have to refer on this occasion also, to my friend on the right and to say that in this matter he too, with a degree of kindness which I did not venture to expect, saw his way to give me his support.

"My Lord, I desire to associate myself with my friends from the United Provinces in all that they said with regard to the unhappy and unwise rejection of the proposal for an executive Council for that province.

"In conclusion, I desire to endorse every word that fell this morning from my friend, the Hon'ble Sir Gangadhar Chitnavis, with regard to Your Excellency. In a word, I may say Your Excellency has succeeded in winning the love, esteem and regard, both of Mussalmans and Hindus."

The Hon'ble Mr. Setalvad:—"My Lord, I have now been accustomed for many years in the Bombay Legislative Council on the budget discussion to find member after member getting up and congratulating the Finance Member on his skill, his acumen, his sympathy and every virtue under the sun which they discover in him. Coming here I find the same thing in this Council; and I suppose I am expected to join in the chorus. But let me assure the Hon'ble Finance Minister that I do so on this occasion in no conventional manner. The task the Finance Member had to perform on this occasion was really a very difficult one and, as my Hon'ble friend, Mr. Surendranath Banerjee has told us, everybody in the country expected that the new budget would bring in fresh taxation. We were all very agreeably surprised with the budget that was introduced when we found that the Finance Minister was able to make his proposals for the expenditure of the year without any fresh taxation at all, and I do hope that circumstances will not so supervene as to force him to have additional taxation in the future.

"Coming to the heads of the budget, particularly referring to that of education in which I take special interest, the budget shows that in spite of the stress and strain of the present circumstances, the budget estimate for 1915-16 exceeds the revised estimate of 1914-15 by 15 lakhs. But the report which the Hon'ble Mr. Sharp supplied us with yesterday is on the whole sad reading. We find there that although the total number of children attending schools in this country has advanced by 737,426 during the period from March 1912 to March 1914, still the percentage of those at school upon those of school-going age is only 19·6, the average for the whole country; and the situation is still more unsatisfactory when you come to examine the figures with regard to the boys and girls. With regard to the boys the percentage is 32 8 per cent; with regard to the girls the percentage as shown in the report is only 5·9. Considering the real value and necessity of education, I do hope and trust that means will be found, if not in this year, in subsequent years, to promote very largely primary

education specially and also to push on the interests of all other education. The same report shows, Your Excellency, that although the Government of India were in a position to make available to the Local Governments large amounts to spend on education, as much as 300 lakhs represent the unspent balances. I am quite cognisant that the report makes it clear that this figure does not really represent the actual unspent balance. But the report says that in any event such unspent balance would be at least 100 lakhs. This is certainly very disappointing, and the reason given is that the Local Governments have not been ready with the machinery to utilise the funds placed at their disposal and to give effect to the extension of education that was contemplated; and I find from the report that Bengal and Bombay have been the greatest defaulters in this respect. I do hope therefore that the Imperial Government will in future ask the Local Governments to quicken their pace as regards education, and also to lay down beforehand ready schemes for utilising the funds that may from time to time be placed at their disposal. In Bombay, for instance, on one occasion the Government had chalked out a scheme for three years for opening new primary schools and utilising grants that may be made available for the purpose. Unfortunately that practice was since abandoned and the result has been in Bombay that though funds were made available the Government were not ready with the machinery to give effect to the proposed extensions. I hope this would be impressed upon the Local Governments in future and that they will always be ready with the necessary scheme and machinery for the purpose of utilising the funds that may be placed at their disposal.

"I want, Your Excellency, to associate myself completely with what has fallen from my Hon'ble friend Pandit Bishan Narayan Dar with regard to the attitude of the Indians during the present crisis. They have combined and they have made up their minds to render whole-hearted support to the British Government and to show to the world how loyal and united India is in support of the Empire, and the result is that prophets of evil have been falsified and our enemies have been completely disillusioned; and further the bravery, not only the bravery but the initiative, skill and resource shown by the Indian troops on the field must have been a source of great gratification not only to Indians but to Europeans connected with this country. Your Excellency, as my Hon'ble friend Pandit Bishan Narayan Dar said, all Indians have agreed that the voice of controversy shall be hushed while this war is pending and that nothing shall be done while the war lasts to embarrass Government in any manner or to do anything that might have even the remotest semblance of making terms for their loyalty or for exacting terms for their loyalty; nothing of that sort, all Indians are agreed, shall be done while the war lasts. I may however say that the loyalty of all Indians, particularly of educated Indians, is what has been rightly termed in certain quarters a reasoned loyalty. They are loyal, they have been loyal, and they will continue to be always loyal, because they are fully convinced that it is only under the British Government and under the fostering influence of British administration that they can ever hope to attain in fullness of time that self-government within the British Empire which they look forward to and are entitled to look forward to. Therefore, Your Excellency, if Indians expect that on the termination of the war, which they hope will soon be brought to a successful issue, a definite step forward would be taken in that direction, they are legitimately entitled to expect and hope so; and, as I have said, they expect that to be done, not as any price of that loyalty, not as a reward for their loyalty, but as a thing that justice requires to be done, that is ripe to be done and the time for which is opportune from their point of view. Taking this view, I join again in the observations that fell from my Hon'ble friend Pandit Bishan Narayan Dar and also the Hon'ble Raja of Mahmudabad with regard to the unfortunate step that has been taken by the House of Lords with regard to the Executive Council for the United Provinces. Pained as one is at the action of the House of Lords, one is still more pained at the attitude taken by retired pro-consuls from this country, specially the remarks of Lord MacDonnell, who is reported to have said that Indians have got all that they should be given for

the present and for a long time to come I do hope and trust that that does not represent the real responsible opinion of those who are at present responsible for the administration of this country. In that firm belief, Indians do not despair that when the war has terminated, a definite step forward will be taken in the right direction.

"And so long as England is able to produce and send out to this country statesmen of the calibre and sympathies of a Ripon, a Minto and a Hardinge, there need be no reason for despair in the matter. Here, Your Excellency, I may be permitted to join my humble voice in expressing the hope that has been expressed by many members before me, that it may be possible for this country to have Your Excellency for a renewed period and certainly till the expiration of the war."

The Hon'ble Mr. Rayaningar :—"My Lord, the Financial Statement has relieved us from great anxiety. The whole country expected there would be some sort of fresh taxation for additional revenue to fill the void created by the war. It is a great relief to us that no scheme of taxation is in hand, and that the resources of Government, supplemented by the proposed loans, are quite sufficient to carry us through the next financial year too, without a serious check to our normal progress. It is true we cannot provide as liberally for the various progressive departments of Civil administration as we would, but there is no set-back to our development. This is a great point in favour of the present budget, and it is fully appreciated by the people. The Hon'ble Sir William Meyer deserves our best thanks for the admirable manner in which he has managed the finances of Government in these critical times.

"My Lord, cognisant as we are of the extreme difficulty of the situation, we cannot reasonably make any suggestions for additional expenditure next year, however desirable on its own merits such expenditure may be But it is as well that we should press upon the attention of Government our wants now, so that the Hon'ble Finance Minister may provide for the most urgent among them when happily the finances improve. It is with this idea that I submit for the favourable consideration of Government that the Land Improvements Loans Act, under which loans are granted to agriculturists, should be amended, with a view to widening its scope and the range of the objects for which money may be advanced, and to reduce the rate of interest chargeable for such loans. My friend, the Hon'ble Raja Kushalpal Singh, pointed out to this Council only the other day how the Madras Government strained the law to make advances for the support of rural industries. As a matter of fact, it appears to have been felt by some of the Provincial Governments that the law should be more elastic. It is somewhat curious that provision should have been made for advances for the support of agriculture, but not for the subsidiary industries without which a reasonable degree of agricultural progress cannot be counted on. India is the only country in the civilised world where subsidiary industries do not receive as much attention as they should, and this accounts for the prostration of many a good industry. For instance, sugarcane cultivation is not so profitable in India, whereas it is one of the most paying concerns in other countries, and for the best of reasons. It is not only the quality of the cane grown here which is at fault; it is not even the method of cultivation and the crude process of extraction which make the industry unremunerative. These do, of course, contribute to the net result; but the main reason why the margin of profit is so narrow in the whole sugar industry is that valuable material which could be easily turned into useful commodities is allowed to be wasted. In some of the competing countries the *bagasse*, molasses and the scum are each one of them turned to good account. The scum is converted into one of the most valuable fertilisers; molasses in combination with bran, chaff, etc., serves as an excellent food for cattle, and in combination with chopped *bagasse*, cocoanut, etc., becomes fit for human consumption. Molascuit is one of the growing industries in the West. Distillation of alcohol

is another important industry. And yet all these subsidiary industries are scarcely known in India, and no wonder the principal industry is not paying. The same remark applies to many of the agricultural industries. Thanks to Your Excellency's Government, when a few days back I asked Government if they would consider the desirability of granting agricultural loans for industries subsidiary to agriculture, the answer was in the affirmative. I submit that by an amendment of the Loans Act it should be made possible for the Provincial Governments to introduce these subsidiary industries into promising areas by advances from the State funds. If the object of the Act be to support and improve agriculture, the range of its operation must be expanded, so as to cover the subsidiary industries. Such an expansion would involve increased expenditure, but in the interests of the country it has to be incurred. And I would also suggest that the rate of interest should be 5 per cent instead of 6¼ per cent. The object of Government cannot be to make a profit out of the business, and the debt being secured, the necessity for an extra rate to cover the possible loss of the principal in some cases disappears. The general rate of interest in the country has gone down appreciably during the last few years. Even if the sanctioned rate under the Act was found necessary at the time it was fixed, the same reasons do not exist now. The rate, therefore, should be revised. The concession will be greatly appreciated by the whole rural population, and can be made at a small cost to Government.

"My Lord, I beg to refer to another urgent need of the agricultural population. Government has made provision for collegiate instruction in agriculture, but so far it has admittedly not effected any material improvement in the situation. In my humble opinion, the utility of collegiate education could be vastly increased by initiating a system of primary and secondary education in agriculture alone. Agricultural schools are everywhere wanted, and they cannot be established too soon. And in these schools instruction in the technique of the industry must of necessity be imparted through the medium of the vernacular. In the progressive countries of the West there are special schools for the different industries, and the staff renders a substantial service to the community. The sugar schools of Germany and Louisiana have done a good deal for the improvement of the sugar industry of these countries. It is time therefore Government should prepare a scheme of elementary and secondary agricultural education, even if the initial outlay be somewhat large. India is essentially an agricultural country, and money should be spent liberally for the improvement of its principal industry.

"My Lord, the Hon'ble Sir William Meyer made a pronouncement in Council last year relating to waterways in Bengal. I beg to submit that the question of the improvement of waterways is an Imperial, and not a Provincial, one. They are equally important in every part of the country. It is of great importance to the agriculturists that facilities for the cheap transport of agricultural produce should be provided, and waterways have certain undoubted advantages over railways in this respect. They likewise serve the very useful purpose of irrigation canals. It would therefore be well to have a scheme of waterways for the whole of India, and when it is ready, it can be carried out gradually in the same way as our irrigation works. I believe the waterways will in the majority of cases be found productive. Speaking of the irrigation works I reiterate my prayer for safeguarding the interests of the Tanjore District against the proposed Kannambade project.

"My Lord, if these suggestions affect the finances of Government, I have got one submission to make with regard to railways, which has no bearing whatever upon them. The railways are at present directly to some extent under the control of the Government of India, and the Provincial Governments have no power to deal with even the most trivial matters connected with their management or improvement. This arrangement is at times very inconvenient. A good deal of correspondence and time may be saved if the Provincial Governments have powers delegated to them to deal with railway matters of local importance without reference to the Government of India. If anything, such delegation of powers will result in some direct pecuniary saving.

"My Lord, I fully sympathise with my friends from the United Provinces in their disappointment at the rejection by the House of Lords of the proposal for the creation of a Legislative Council for their Provinces.

"My Lord, I cannot conclude without drawing the attention of the Council to the serious position in the Punjab. When the Defence of India Bill was discussed on the 18th instant, I had not an exact idea of the gravity of the situation in that Province to which the Hon'ble Sir Reginald Craddock referred. Recently I had been to Jullundur, Amritsar and Lahore. I met several leading men of the province. They all feel the necessity of a legislative measure of this kind. Peaceful inhabitants, especially the Hindus, are subjected to acts of violence, and the outrageous offences against life and property have been committed in many cases by apparently respectable people. It is well that the new Act has been put into force in some parts of the Punjab. Had there been any delay in the matter, the consequences would have been very serious I hope the measure, judiciously administered, will have the desired effect and bring to the oppressed the relief which they are so much in need of.

"My Lord, I take this opportunity to express our sense of gratitude to Your Excellency for what Your Excellency, Christ-like in forbearance, have done to promote the interests of Indians in this critical time of the world's history, and I pray that God will prolong your Viceroyalty in this country."

The Hon'ble Mr. Abbott:—"My Lord, I rise to congratulate the Hon'ble the Finance Minister on the prosperous Budget he has presented to the Council and for the lucid and exhaustive exposition he has given.

"At a time like this when the greatest war the world has ever known is devastating and ravaging three-quarters of the world it must be a source of deep gratitude and pride to you, My Lord, and to this Council, to know that we in India are living in comparative safety and prosperity, and that in our bounden duty and all pervading loyalty we have been in a position to give, and have given, both men and money, for King and Country.

"Handsome as our offerings may have been, My Lord, they have not, I regret to say, been on the same princely footing and basis as that of our fellow Colonials. However, I am confident that the demand has only to be made and loyal India will rise as one man and offer to pay the expenses of our Expeditionary Forces in the same way as Canada and Australia are doing. I would go still further, My Lord, and I think I may safely assert that to meet this extra expenditure India would not cavil at a small rise in the salt and income taxes and also on import duties.

"Regarding the embargo on the export of wheat, I hope that the cultivators of Bundelkhand will not be forgotten when ear-marking the profits. Bundelkhand has suffered from failure of crops, famine and drought on an average of every $3\frac{1}{2}$ years for the past 45 years to my personal knowledge. Now, just as they are expecting a bumper crop with a golden harvest it looks as if they are to be disappointed.

"I also, My Lord, beg to draw attention to the great cry for more irrigation in the United Provinces.

"I beg to associate myself with the claim of the Hon'ble Mr. Das for an Indian Christian on Your Excellency's Council.

"My Lord, it has become a time-honoured practice with non-official Members of this Council to take this annual opportunity of prefacing in general the needs and wants of the peoples and communities they have the honour to represent.

"As such, and on behalf of the Anglo-Indian Domiciled Community, I beg, My Lord, to tender you and your Ministers our heartfelt and grateful thanks for all that has and is being done for the advancement and betterment of our community. In particular I beg to thank Sir Henry Burt for the oft repeated and timely occasions on which he has come to the help and assistance of the Railway man. Now that he is about to leave India their heartfelt

regrets go with him, together with their respectful congratulations on the great and elevated position he has been called to;

"To the Hon'ble Mr. Maxwell, Director General of Posts and Telegraphs, whose reorganisation scheme has helped to give promotion from the subordinate to the superior amalgamated Services;

To the Director General, Indian Medical Service, who has improved the status, pay and prospects of the Indian Subordinate Medical Department;

"To the Hon'ble Sir Harcourt Butler, whose generous educational grants, and grant-in-aid policy, has brought education within the reach of the most depressed classes;

"Last, but by no means least, to His Excellency the Commander-in-Chief in India, for opening the long barred gate of recruitment into the British Army to the descendants of European parentage.

"My Lord, whilst expressing the deep sense of gratitude and appreciation of the Domiciled Anglo-Indian Community for all that has, and is being, done for them, I beg to remind Your Lordship in Council that there are several important and imperative disabilities that the community still labour under, principal among these being:—

"*Railways.*—The continued annual importation of what is known as the 'covenanted men' and who are principally appointed as Foremen in Railway Shops, Locomotive Drivers, Permanent Way Staff and Auditors. Time was, My Lord, when these importations may have been a necessity, but those times have long gone by. We have in India to-day fully equipped and up-to-date workshops, equal to any in Europe or America. That our community have benefited by these and have advanced with the times there cannot be the shadow of a doubt; but as proof positive I would assert that I have three personal friends on both State and Company owned lines, whose entire apprenticeship was spent in Railway Workshops in India and who rose to the highest rung of the ladder—Manager of Works. Similarly, with the Locomotive Driver. He is every whit as good and as capable as his "covenanted" confrere. This is no sinecure and can be proved from the fact that the Domiciled and Anglo-Indian Driver drove and piloted His Majesty three-quarters of the thousands of miles travelled by His Majesty during his last visit to India. You, too, Your Excellency, have had the same experience throughout your Viceroyalty.

"With reference to Permanent Way Inspectors, our Engineering Colleges in India give ample scope for education and as vast an experience, as apprentices, can be gained on Indian railroads as at Home. In addition to this the Domiciled and Anglo-Indian has to his credit a thorough knowledge of the country, the language and the people and above all is acclimatised and physically fit to rough the climatic conditions of India.

"The same remarks apply to the Audit Branch: our schools and colleges can furnish ample material with the necessary educational qualifications, and the training ground in India better fits and adapts them to conditions in India than the imported or covenanted man.

"*Representation.*—My Lord, I take the liberty of again begging to remind you that the Domiciled Anglo-Indian Community still remain unrepresented in most of the Presidency and Provincial Councils of the Indian Empire. My Lord, all we ask is the extension of this great privilege to our community, the same as is given to our Indian friends of all castes and creeds.

"*Administrative and Ministerial Appointments.*—My Lord, the rapid progress of higher education is daily fitting us more and more for a bigger percentage of these responsible and coveted appointments. India being our home, we naturally aspire and claim to be allowed a fair share of the bulwarks of this vast Empire

"*Education.*—Grateful as we are for all that has been done in this direction, I would respectfully urge that the grant of a few more State scholarships for both girls and boys, tenable in England, would be a great boon to the community.

"Also greater facilities for admission and training in agricultural and technical schools and institutions.

"My Lord, in conclusion, I beg to again thank you, your Ministers and the non-official Members of this Council for the attention, assistance, and courtesy I have invariably received at your and their hands."

The Hon'ble Pandit Madan Mohan Malaviya:—"My Lord, as I have listened to the debate which has taken place to-day, my thoughts have gone back again and again to one who adorned this Council for twelve years, and whose loss has been mourned in this country and beyond it, as the loss of no other Indian of modern times had been mourned before. My Lord, my faith in the future of my country makes me hope that in the generations that are passing through our schools and colleges many a young man will be found who will equal, and, I hope, even excel Mr. Gopal Krishna Gokhale in intellectual power and ability; but, My Lord, none shall excel him in the pure loftiness of his patriotism, in selfless, ceaseless devotion to the country's cause, in the sincerity and depth of earnestness with which he desired the good of his countrymen and the unflagging zeal with which he laboured to promote it. My Lord, to Mr. Gokhale will ever belong the glory of having been the first Servant of India of the noble band of the Servants of India, which he himself organized, who, discarding all personal ambition, take the vow of poverty and self-sacrifice, and dedicate themselves heart and soul to the service of their motherland. My Lord, there is a movement afoot to create an All-India memorial to our departed friend and brother. I have no doubt everyone who respected or appreciated him will contribute towards the completion of that memorial, but I have one favour to ask of all who appreciated Mr. Gokhale, and that is that they should adopt a kindlier, a more sympathetic attitude towards questions in which he took a keen personal interest, towards causes which he pleaded from the depth of his heart, even if they cannot accept in their entirety the views which he expressed upon them.

"And in that view, My Lord, I wish to mention two particular questions. One is the question of securing the benefit of that elementary education to the people of India which lies at the root of all economic progress; and the other is the question of fairer recognition of the claims of Indians to a share in the administration of their country. My Lord, the Government of India have recently done much towards promoting primary education, but what has been done is as nothing compared to what remains to be done; and I hope and trust that the impetus which Your Excellency's Government have given to the cause of primary education will grow, and that much larger funds and energy will be devoted to it until education shall become the possession of the general bulk of the people.

"And, My Lord, so far as the question of a larger share for Indians in the administration of India is concerned, I hope that Mr. Gokhale's colleagues on the Royal Commission on the Public Services will, in deciding upon their final recommendations, bear in mind the views which he entertained and expressed, and see if they cannot give effect to them in whole or in part.

"My Lord, the best of reasons make me put forward these suggestions, for there is nothing more calculated to promote friendly feeling between Indians and Englishmen than a generous concession on the part of the latter of the claims of the former to a fair share in the administration of this own country. My Lord, the recommendations of the Public Services Commission will be awaited with great interest and anxiety, and I hope they will be such as to give general satisfaction to Indians.

"My Lord, the Budget before us is a War Budget, in the sense that it is affected by the War. Congratulations have rightly been offered to the Hon'ble the Finance Member for having avoided taxation. I have myself offered my congratulations on a previous occasion, and I do not wish to take up the

time of the Council by repeating them. But there is one circumstance to which I wish to invite attention. It seems to be forgotten that the taxation which the people of India have been paying for the last many years has been very heavy, and that it is that heavy taxation which has produced the financial position which India occupies to-day. Some time ago Mr. Gokhale pointed out that the total additional revenue raised by fresh taxation in the space of twelve years—between 1886-87 and 1898-99—was no less than 12·30 crores a year. Only a small portion of that additional taxation has been remitted since 1903-04, while taxes were imposed in 1910-11 on silver, tobacco and certain other articles. It was thought at the time the last addition was made to the public burden that that was done to meet the deficit which had taken place in the previous year; but that was not so. Questioned on the subject in his evidence before the Royal Commission on Indian Currency, Sir James Meston made this quite clear. Said Sir James :—

'It is quite arguable now, and I think it was quite arguable even then, that for immediate needs that taxation was probably unnecessary, and that we could have got over the crisis of 1908-09 by temporary borrowing. But there appeared at the same time on the horizon a consideration which is not probably before the public. That was the fact that the Government of India knew that very large claims were going to be made upon it under Lord Morley's instructions for the development of a programme of social reform. We knew that a very big scheme of education was in the air and we had estimates prepared in the Secretariat, which have never been published, which indicated the enormous call upon us in the near future. It was the same with sanitation and medical improvement.'

"And he concluded by saying :—

'We also stood by the taxes that had been imposed ostensibly for the troubles of 1908-09, and which are now necessary for the real needs of the country in the near future.'

"My Lord, while we offer our felicitations to the Hon'ble the Finance Member, we might also remember that it is the taxes which have been paid for the last three years and more that have enabled our friend to save us from fresh taxation.

"My Lord, this is not the time to discuss the Budget at any length but there are two or three things which strike me as worthy of the consideration of the Hon'ble Finance Member. The crisis through which we have been passing has shown the great weakness of the position of the Indian cultivator, and indeed of the mass of the Indian people. It has shown that while there is an abundance of food produced in the country, the bulk of the people are often able to purchase it at the price at which it is sold. My Lord, my friend Sir Fazulbhoy Currimbhoy pathetically described the distress of the people who are crying for bread, when they see enormous quantities of wheat being shipped to other countries before their eyes. My Lord, I venture to say that that state of things is the result of a wrong economic policy and an unsound system of taxation which has prevailed here for some time. The whole system of our revenue and taxation requires to be reconsidered. I submit that it is high time that our policy with regard to both the export and the import trade should be reconsidered, and the bases of taxation be readjusted. It is time we reconsidered whether it is not imperatively necessary to so regulate exports of food-stuffs by duties as to prevent the people from being deprived of the food which is grown in the country; in other words, to secure that they should be able to purchase food which is grown in the country at a price which they can pay for it. Unless exports of food-stuffs are so regulated, it must happen, My Lord, that when a poor agricultural country like India enters the world market, it must happen that people with larger incomes will, as they can afford to pay a higher price for food-stuffs which they import than the people of this country can afford to pay. This is the main cause of the great rise in the prices of wheat and other food-stuffs, which has inflicted indescribable hardships on the great bulk of the people. We are thankful to the Government that it has taken the export of wheat into its own hands, for the period of the war. But I hope the Hon'ble the Finance Member will consider whether the time has not come when a regular duty on food-stuffs which are exported, particularly on wheat,

might be imposed, without any real injustice to the cultivator, and with real advantage to the people and the State. Then My Lord, it should also be considered whether the duty on imports might not well be increased. Some members have suggested, the Hon'ble Mr. Abbott among them, that that might well be done. We can make a large additional revenue by increasing the Customs duties Manufactured articles are not such a great necessity for the people. They can afford to do less with them than with the food that feeds their bodies The object of my suggestion is that food supplies should be made more easily available to the people, even though in the matter of imports they may have to pay a little higher price.

"My Lord, a great trouble at present is that the tax on land has been growing. The land is groaning under the burden which it has to bear. Year by year, even in this year of great scarcity, even in years of famine, the land revenue shows an increasing figure My Lord, the cultivators are not able to get enough food to feed themselves and their families ; yet the land revenue has been growing steadily year by year during the last 40 years. When, My Lord, will it cease to grow so far as the Government revenue is concerned ? It is desirable that there should be more and more produce of food supplies ; it is desirable that the cultivators' outturn should increase, but is it desirable that out of that increase, the Government should go on taking as much as it has been taking during the last decades ? That is a matter to which I would invite the attention of the Hon'ble the Finance Member."

"My Lord, another question which has cropped up in the discussion is that of our contributions to the war. We have contributed, as one of the speakers has pointed out, roughly about 10 crores in supplying the Expeditionary Forces. Well, it is not mere gross silver that we have contributed, but we have contributed men, men trained and disciplined, devoted to win and die in the service of the King and the Country And, my Lord, what we have done recently is a matter of satisfaction and a matter for congratulation to Your Excellency's Government, because, in addition to supplying such men as we could send, such men as are demanded of us, we have now helped, I hope, by the arrangement made about regulating the export of wheat, to supply food wherever it may be needed in the British Empire.

"My Lord, the question has arisen in connection with the war, and upon which remarks have been made by several members, namely, what is going to happen after the war ? To me it seems it is premature to think of it. But, My Lord, certain events have happened which have pivotted the attention of the public on this question The pronouncements made by Mr. Asquith, by Lord Kitchener and by Mr. Herbert Roberts, that India had entered into the Federation of the Empire, that the angle of vision for looking on Indian questions will change, and that India should entertain great hopes of great developments in future, have fostered a general and wide-spread hope that Indian questions will be considered from a liberal point of view. This feeling, My Lord, whatever the actual results in the remote future may be, this feeling is a great asset in the feeling of the country. The general body of the people hoped that these pronouncements were an earnest of the changes that were going to take place But the action of the House of Lords, in rejecting the proposal for the Executive Council for the United Provinces, has, My Lord, undone to a great extent, if not entirely, these hopes that were entertained. I feel certain, My Lord, that your Lordship's recommendations will be given effect to. I do not feel any doubt in my mind that the English Parliament will see that the United Provinces do have the Executive Council which was promised to them so far back as 1835 by an Act of Parliament. I feel certain that the day is not distant when the Lieutenant-Governor will be relieved partly of the burdens which he has to bear alone. But, My Lord, the mischief which has been done by the action of Lord MacDonnell and Lord Curzon is far-reaching and will, I think, produce a bad effect.

"My Lord, Lord MacDonnell is reported to have said, in this connection, that no section of the population of the United Provinces except an infinitesimally small body favoured the proposals. My friends the Hon'ble the Raja of Mahmudabad and Pandit Bishan Narayan Dar have shown how little truth

there is in that assertion of Lord MacDonnell. But, My Lord, I am sorry to say that that is of a piece with another assertion which Lord MacDonnell made when there was a debate going on in the House of Lords on the question of Indian reforms, when he said that there was not an Indian to be found in the whole country amounting to 300 millions who could be appointed as a member of the Executive Council of the Governor-General. My Lord, the distinction with which Sir S. P. Sinha held the office of the first Indian member of the Executive Council of the Governor General, the ability and distinction with which my friend the Hon'ble Sir Syed Ali Imam has held that office, has shown what little basis there was in the assertion of Lord MacDonnell. My Lord, the country knows, the country at any rate is convinced, that this reform, by which the Indians have been taken, so to say, into the confidence of the Government and into the innermost circle of the Government of India, is of real and far-reaching importance. There was no measure of reform among the many reforms introduced during the time of Lord Morley and Lord Minto which had a more far-reaching effect in that direction than the appointment of Indians on the Executive Council of the Governor General of India. But, My Lord, if Lord MacDonnell and Lord Curzon had had their way, this reform would not have taken place and the Indians would not have had the satisfaction of seeing a brother of their own occupying a seat in the highest Executive Council of the Empire, and Your Lordship's Government would not have had the advantage of the experience and ability of such a member.

" My Lord, in sanctioning a particular proposal of reform like that of the Executive Council, what is really needed is a determination, a resolution on the part of all who are interested in England and India, to readjust our relations somewhat, and to begin to regard each other—I am speaking of those who do not take that view—as really equal fellow subjects of one common King and of one common Empire My Lord, the basis of our brotherly relations, if I may be pardoned for saying so, is to be found in the great Proclamation of Her late Majesty Queen Victoria. It is strange how people sometimes give their adhesion to principles and how in practice they do not like to adhere to them, and even violate them. Lord Curzon, speaking of that Proclamation, said that the famous Proclamation of 1858, the Magna Charta of India, was the ultimate goal of our demands and aspirations. And yet we find Lord Curzon getting up in the House of Lords and opposing the appointment of an Indian member to the Executive Council of the Viceroy and opposing the constitution of an Executive Council for the United Provinces, when he knows that the entire wisdom of the Government of India, for a hundred years and more, pronounced in favour of a system of Council Government for every Presidency prepared for it, when he knows that Madras and Bombay have flourished for a hundred years and more under a system of Council Government, and when he knows that, with the experience derived of the present circumstances of India, Your Excellency's Government recommended a Council Government for Bengal and also for Bihar and Orissa. My Lord, there is a rule that persons who have not lived within ten years in India ought not to be appointed members of the India Office. It seems to me, My Lord, there is much reason in the rule that gentlemen who have been out of India for more than ten years, and who have not kept in touch with the people of India by correspondence or by visits, had better refrain from making pronouncements on the needs of India of to-day. Your Excellency, who is in this country, who has fostered reform movements in different provinces of the country, and who is in touch with the people and with the Lieutenant-Governor of the United Provinces, who is the man working on the spot, feeling the apparent wisdom of his advice, made a recommendation that Council Government should be instituted in the United Provinces. Lord MacDonnell who has been out of India for about fourteen years and Lord Curzon who has not been in touch with India for nearly ten years, take it upon themselves to say that India does not need such a reform. I only refer to this because Lord MacDonnell went on to make an assertion which is calculated to create, and which I fear from the remarks which have appeared in the papers, has already created, a very bad impression. I have referred to the

pronouncements of Mr. Asquith, of Lord Kitchener, and of Mr. Herbert Roberts. As if to counteract, as if to put forward something against, those statements, Lord MacDonnell is reported to have said that all reasonable demands of educated Indians have been adequately provided for the present and for a long time, and when the time came for a change, it would be better to proceed by dividing the provinces and thus relieving over-burdened Lieutenant-Governors than to give them Councils. Lord Curzon endorsed that view by saying that it would be better to convert Lieutenant-Governorships into Chief Commissionerships He might have gone a step further and advocated converting them into Commissionerships, because, My Lord, Commissioners' divisions are large enough to occupy the attention of one man. I regret to say that Lord MacDonnell and Lord Curzon do not realize what disservice they have done to the cause of progress and reform, and to the cause of the contentment of the people in this country, by making such assertions at a time when the newspapers have been full of discussions as to the possibility of reform movements in the future. As I have said over and over again, My Lord, I do not wish to talk of the reforms that will come. I have faith enough to believe that they will come in their proper time. When the Proclamation of Her late Majesty Queen Victoria was published, Lord Canning was at the helm of affairs in this country, and, My Lord, there is one passage that he published in a Proclamation of his own to which I wish to invite the attention both of the people of my country and of all the officers who serve the Government. In that Proclamation Lord Canning called upon the servants of the Queen, one and all, each in his degree and according to his opportunity, to act with his whole heart and strength in fulfilling the gracious will of their Queen as set forth in the Royal Proclamation, and at the same time, My Lord, he rightly called upon all Her Majesty's Indian subjects to yield loyal obedience to the Queen. My Lord, the words of Lord Canning are the golden key of our conduct.

"My Lord, there is one other matter to which I should like, with Your Excellency's permission, to refer before I finish. I should have personally avoided, My Lord, a reference in to-day's debate to Your Excellency's impending retirement. But as a reference has been made to it by more than one speaker, I hope Your Excellency will pardon me for saying a few words about it. My Lord, I venture to think that of all the British statesmen who have made themselves illustrious as Viceroys and Governors General of India, there is none, in my opinion, who has touched a truer chord of sympathy, none who has enjoyed the esteem and affection of the people of India in a higher degree than Your Excellency. Your Excellency's generous sympathy with the people of India, your love of justice, the trust that you have reposed in them, your earnest desire and endeavour to promote their well-being, their happiness and contentment, and last, though not least, My Lord, the sufferings that Your Excellency has undergone in the service of this country, have endeared Your Excellency to the people of India; and though it would seem to be almost cruel to desire that the period of Your Excellency's office—a period of heavy responsibility which rests upon you as the Head of this extensive Empire at a time of great stress—should be prolonged, yet, My Lord, the faith that the people have learnt rightly to repose in Your Excellency is a factor of inestimable value to the Empire and, therefore, both for the good of India and of England, the prayer which has been addressed to His Majesty the King-Emperor by the Indian National Congress, speaking on behalf of the people of India, will, I hope, coincide with the sense of His Majesty's Ministers of what is demanded by the situation in India and commend itself to His Majesty. And, My Lord, I have hope that, with the lofty sense of duty which Your Excellency has shown in your high position, Your Excellency will be pleased to agree to stay another year or two with a people who hold you in grateful affection, and love and trust you as they have seldom loved and trusted any of your predecessors."

The Hon'ble Rai Bahadur Sita Nath Ray:—"My Lord, the singular ability which the Hon'ble Finance Minister has displayed in tackling

a peculiar and grave situation and the skilful manner in which he has been able to meet the deficit, without adding, however slightly, to the burden of our taxation, are sure to call forth the unstinted admiration from all alike, and for all this, I beg to offer him my sincere congratulations. In this year of extraordinary stress and emergency, in this year of dislocated trade and finance when a vague but unwarranted sense of insecurity was prevailing in the country and when apprehensions of something grave and unforeseen happening were agitating the public mind, it is well that the Hon'ble Finance Member should have abstained from having recourse to any extraordinary expedient, temporary or otherwise, from meeting the situation and thereby relieved the public mind of a heavy load of anxiety and at the same time, I must confess, that the several bold steps which the Hon'ble Finance Member has taken in this connection have eased the situation and have had the desired effect in reassuring the public mind and restoring public confidence.

"My Lord, I cannot, in passing, abstain altogether from alluding to the very acute situation which arose in Bengal at the outbreak of war when the shock of it was most severely felt, for it was then just the beginning of the jute season and the war nearly paralysed that industry in all its branches bringing suffering to large classes of people in Bengal. The result was that there was a rush of depositors for withdrawal of their moneys from savings banks, and though the efforts of the authorities combined with individual efforts succeeded in partially allaying the public anxiety, the rush continued for some time ; and in that state of public feeling, I must say, the Government acted very wisely in allowing every facility to the depositors for withdrawal of their moneys from the savings banks, and it was indeed a very wise, bold, and statesmanlike step to provide facilities, even in district treasuries, for encashment of currency notes, which the Government was not bound to do. However, the indulgence shown and the extreme latitude given had their own rewards, and what was the result ? The result was returning full confidence in the stability and permanence of the British Government, and what does the present position of the Government securities and other stocks, such as Municipal and Port Trust debentures, indicate ? If it indicates anything, it indicates the growing conviction of the people in the ultimate success of the invincible arms of the Allies over German militarism and barbarism and the triumph of righteousness over unrighteousness. It further indicates returning prosperity and revival of trade and commerce so unduly disturbed in the beginning of the war.

"In this connection I may further mention that the Government of India acted very wisely in prohibiting the issue of gold to the public as it would have given rise to a panic and every one would have scrambled for gold for holding, hoarding, or burying it underground, and the result would have been wide-spread alarm, for Government would have ultimately been obliged to withdraw the concession. How serious and acute the situation was can be realized from the following quotation from the Hon'ble Finance Member's speech :—

'The price of raw jute necessarily showed a great drop from the record figure (₹90 per bale of raw jute) obtained in the preceding year, falling as low at one time as ₹31 a bale. But the initial paralysis of the internal trade is clearly indicated by the fact that whereas between August and October 1913, the issue of rupees from the Calcutta Currency Office in connection with the financing of the jute crop amounted to some thirteen crores of rupees, the issue in the corresponding period of 1914 was about fifty-six lakhs only. And this at a time when the crop was a record one. This state of things brought hardships to all engaged in that trade, but specially to the poor ryots. The position has since then generally improved, but not to the extent as anticipated as the winter rice crop has not been up to the average mark'

"In this connection I cannot refrain from mentioning the several wise precautionary measures that were taken from time to time in Bengal and specially in Calcutta by our popular and much respected Governor and his Government in allaying public anxieties and in ensuring public safety.

"My Lord, as regards the main features of the Budget, I wish to make a few remarks only. There is a deficit in the current year as shown in the

revised estimate instead of a surplus on the Imperial side, and Imperial and Provincial figures taken together show a somewhat larger deficit in the revised estimate than what was anticipated in the Budget estimate. In the forecast of the coming year there is also to be a deficit. 'All this,' to quote the Hon'ble Finance Member's words, 'is, speaking generally, entirely attributable to the war, and more especially to the decrease in the two large sources of revenue which have been so severely affected by the consequent dislocation and depression of trade.' Not only on Railways and Customs but on almost all the earning departments of the Imperial and Provincial Governments the war has left its marks. The Budget for 1915-16 has been forecasted in consideration of the same conditions prevailing in the next year. We have not only to meet the deficit but there is also the other important head of capital outlay which has also to be met. The Hon'ble Finance Member has shown us how he has met these demands in the present year and how he intends to meet all the demand upon his purse in the forthcoming year. I should like to say a few words on the general line of policy which the Hon'ble Member has adopted in his Budget statement to meet his demands in the next year. There is, I see, a considerable curtailment of expenditure in some of the heads. The effects of this policy of retrenchment are largely visible in the following heads: expenditure for special grants, education, medical, etc., railway expenditure and Delhi expenditure. As regards the former the Hon'ble Finance Member says: 'The large balance still in hand is in considerable measure due to the fact that we have found it necessary in existing circumstances to debar local Governments from drawing on their balances with us during the coming year beyond an aggregate amount of about one million.' There has been also considerable curtailment of railway expenditure and Delhi expenditure.

"My Lord, while on this railway head, I am glad to mention here that the Sara Bridge, now associated with Your Excellency's name, is an accomplished fact, which will go further to promote the development of the great jute and tea industries of North and East Bengal and of Assam. This subject of railway communication naturally reminds me of another subject which is closely allied to it, and is so regarded by the Governments of all other civilised countries. But the subject has never been treated in that light by our own Government. The splendid natural waterways of this country, especially of Bengal, to which I alluded in my last budget speech, are a valuable asset. I again invite the attention of the Government to look upon these splendid natural waterways as necessary adjuncts to railways. Not only trade and commerce but sanitation would also derive considerable advantages from their improvement. The improvement of the numerous waterways which intersect the country is beyond the scope and resources of the local Governments, and so I earnestly entreat Your Excellency's Government to take up this subject as a matter of Imperial policy and concern. In this connection I cannot refrain altogether from prominently drawing the attention of Your Excellency's Government to the very useful project generally known as the Grand Trunk Canal Scheme in Bengal formulated by Mr. Lees. I believe the scheme has been referred to the Imperial Government for sanction, and I hope that the carrying out of this well thought out scheme, while improving the waterways and thereby facilitating the development of the internal trade of Bengal, will be associated with Your Excellency's name by giving early sanction to its execution.

"My Lord, now coming again to the policy of retrenchment which I have stated already, I may say that there is a limit to this policy. We have come to a stage when this policy cannot be pushed much further, as I see that every day there is an increasing interest and demand for further development and progress and consequently further expenditure for material and social improvement. The question then comes to this, how we are to increase our income to meet our ever-growing demands? The answer is that we must have recourse to either borrowing or taxation. The Hon'ble Finance Member has taken the former course, and gives his reasons in the following words: 'We do not propose on this occasion to raise any money by increased taxation. We should not hesitate to do so to meet the deficiency in revenue which promised to be of a

more or less abiding character. But the present circumstances are altogether peculiar. We know that ordinarily we can count upon surpluses. India, too, has a very small unproductive debt, and with trade conditions depressed and the present rise in food prices in a large part of the country, we have come to the conclusion that we ought not to add to existing taxation unless it is absolutely necessary. We hold that this necessity has not yet arisen.' My Lord, the circumstances are no doubt peculiar, and no one knows when normal conditions will return. Even if they arrive sooner, we cannot, in my humble opinion, rely on this loan policy nor can we count upon our ordinary surpluses, for they may not appear for some years to come. As the Hon'ble Finance Member says: 'We must also remember that when the war is ended some of its effects may endure for some time to come, and in particular we shall then have to face the question of dealing with the temporary debt which we are now accumulating.' Then again, there is an ominous warning in the words of the Hon'ble Finance Minister when he says: 'We have not proposed additional taxation to make good deficits which we hope will prove temporary only; but as I have already said we should not hesitate to do so if it appeared that our permanent revenue position was seriously threatened.' I also wish that our deficit may prove temporary only. But, My Lord, I have very grave doubts on this point, when I consider that our agricultural prosperity on which depends everything else, is susceptible to external influences in the extreme; that we cannot have any more windfalls from the opium revenue; that the effects of the war, as the Hon'ble Finance Member says, may endure for some time to come even after the cessation of it, which will greatly influence our financial position; that there is an ever increasing demand for social and material improvement. The whole course of events and the gist of the Hon'ble Finance Member's speech point to the direction from which we can expect help. The Hon'ble Finance Minister says that we should not hesitate to do so (to have recourse to taxation) if it appeared later that our present revenue position was seriously threatened. My Lord, no one knows when this critical situation will come. In these abnormal times and exceptional circumstances, it may come sooner, after all. We ought to be ready beforehand to meet this eventuality. Then, My Lord, I shall try to prove why this loan policy cannot, on its own merits, be a successful one in the present abnormal situation. I admit that 'the public debt of India represents productive outlay normally yielding a return far in excess of the interest which she has to pay on the amount borrowed; sufficient indeed to cover also the interest on the small margin of debt which can be described as unproductive and still to leave an ample margin.' I admit that 'we raised 5 crores in the current year and with great success' but that was before the war, when the circumstances were entirely different. The Hon'ble Finance Member also holds this view. We have to remember this peculiar situation in connection with the floatation of our loan in the forthcoming year in India. Then as regards our borrowing in England, the Hon'ble Finance Member said last year: 'An increase in rupee borrowing is justified not merely by the general conditions which prompt every country to keep as much of its public debt as possible in the hands of its own people but by the fact that of late it has become more economical to borrow in India than in London.' If such was the case in normal times, I do not understand what hope is there that our future loans would be successful and economical in the exceptional circumstances now prevailing in England and which are sure to continue for some time to come. In another place the Hon'ble Finance Member says: 'I recognise, too, that the circumstances prevalent in July, when we usually float our loans, may prove so unpropititious that we may find it desirable to have recourse to other methods for raising either a part or the whole of this amount.' In connection with the raising of this loan I beg to suggest that the time has come when it would be extremely desirable and politic in the interest of the people of this country that future loans should be raised at the rate of 4 per cent. I may give an instance of the bad effects which followed the policy which led Sir J. Westland to reduce the rate of interest from 4 to 3 per cent and the result was that the Government securities which are quoted at the rate of 3 per cent became an unsaleable commodity in the market, and it is now no longer a marketable commodity. I therefore quite agree with

the Hon'ble Mr Dadabhoy that future loans should be raised at 4 per cent, which will go to induce the people of this country not only largely to invest in Government securities, but at the same time go to inspire confidence

"In conclusion, I beg to associate myself with the words which have fallen from the Hon'ble Sir Gangadhar and the Hon'ble Mr. Banerjee about the undoubted claims which Your Excellency has established upon the gratitude of my countrymen; for Your Excellency's kind and sympathetic administration, for Your Excellency's kind sympathies with the hopes and aspirations of the people entrusted to your charge, and for the various ways in which Your Excellency has tried to foster education, sanitation and, may I add, self-government; and, lastly, for the unflinching faith and confidence Your Excellency has under all circumstances shown in the loyalty and good sense of India, and the way in which they have been utilised; and as such I must say that we sincerely share the regret which has been expressed on all sides at the approaching departure of Your Excellency, but we sincerely trust and pray that His Imperial Majesty will be graciously pleased to give due effect to the united prayer of a whole nation, by extending the term of your exalted office until such time at least as the war lasts."

The Hon'ble Raja Kushalpal Singh:—"My Lord, it is but the barest justice to the Hon'ble Sir William Meyer to mention that the Budget under discussion is an agreeable surprise to us. Within a short time after declaration of war between Britain and Germany, it became evident that we would have to face a heavy deficit both in the current and in the coming year, and that our finances would stand in urgent need of replenishment. In view of the exceptional conditions, the popular belief was that additional taxation, of a temporary nature at least, would be unavoidable; but through wise management, which does credit not only to his head but to his heart as well, the Hon'ble Sir William Meyer has spared the country a pecuniary sacrifice for which it was prepared. And yet the absolute needs of good government have not been overlooked. It is doubtless possible to suggest alterations in the Budget allotments according to our views of the relative importance of the different heads of expenditure, but they would involve controversial questions of policy which cannot be profitably discussed now.

"On the whole, the Budget inspires confidence as much in the financial strength of Government as in the ability of the Hon'ble Finance Minister to carry us through these difficult times with the minimum of inconvenience.

"My Lord, the Hon'ble Finance Minister will not think I am wanting in my appreciation of the provision he has made even at this time of difficulty for the extension of irrigation, both productive and protective, in my province as also for minor works, if I press the claims of the United Provinces for further allotments.

"But these are minor matters The great need of the Province is liberal Imperial grants for Education. The Hon'ble Finance Minister, in justification of the reduced programme of expenditure for Education, has referred among other things to the inability of the provinces to spend in full the non-recurring Imperial grants. But his conclusion must be based upon the experience of Provinces other than the United Provinces. So many schemes are ready that no difficulty can justly be apprehended on the score of the inability of the department to utilise a heavier allotment.

"My Lord, one more observation on a subject of local interest. The adverse decision of the House of Lords, as regards an Executive Council for the United Provinces, has been received with keen disappointment by the local public. Nobody ever thought the subject was anyway controversial or that there was any doubt about the policy of Government. We have all along hoped, and our hopes have been encouraged and confirmed by the sympathetic pronouncements of Government, that the Province would get the Council form of Government in a short time. We do not blame this Government for the

result. Indeed, the Government of India have been so earnest about the reform that a sum of Rs. 1,19,000 is allotted in the present Budget for an Executive Council for the United Provinces. But what we do complain is that the House of Lords should have intervened at the last moment to thwart an administrative reform to which the people justly attach great importance and about the utility and expediency of which this Government, with all the facts in its possession, is fully convinced. We sincerely trust the sound views of the Government of India will yet prevail, and this reform will be further pressed upon the Secretary of State as one which should be adopted at once in the interests of good government.

"My Lord, one matter of vital importance to the whole of India demands close scrutiny at the hands of Government. For the last few years the people have realised more and more the absolute necessity of a rapid extension of feeder railway lines, known as Light Railways, not only for the economic development of rural areas, but also for the safe and profitable investment of their savings The encouragement so far given by Government to them has been productive of excellent results, and with the success of some of these lines the prospects of this class of private enterprise have brightened. The popularity of the railways is distinctly on the increase. But these factors appear to have excited the jealousy of the foreign companies working the trunk lines, and a movement seems to have been started by them for securing a monopoly of the feeder lines also. The most influential among them—the East Indian Railway Company and the Bengal-Nagpur Railway Company—according to the latest information, are seriously contemplating forming auxiliary companies for the floatation of schemes of feeder lines to those two trunk systems. This is most unfortunate, and the people look up to Government for arrangements, reserving for them this class of investment and enterprise. When we are anxious to participate in railway enterprise, there is no reason why we should not have as of right at least one class of railways in which we may have scope for our activity. There is nothing in principle to justify the existing arrangement under which the fate of a scheme started by a private company in India should be dependent upon the good-will and sanction of a powerful competitor like the big Companies managing the trunk lines. The subordination of our interests to those of foreign Companies is neither economically nor politically sound. I submit, My Lord, an early and sympathetic decision by Government on this subject is needed to satisfy public expectations.

"My Lord, the appointment of our colleague, Sardar Daljit Singh, to the India Council must be agreeable to landholders as a class all over the country. It has also the merit of giving effect to the principle embodied in the Parliamentary Bill for the reconstitution of that Council. For the first time has an elected member of the Imperial Legislative Council been selected to serve on the highest Executive Council. Apart from the question of the personal merits of the nominee, the selection should on this ground alone be acceptable to the public.

"My Lord, one more submission, and I have done. Your Excellency has come to be trusted and loved by the people; we have firm faith in your untiring industry for our good; we are safe under your protection. Self-interest accordingly pompts us to hope that, even though an extension of service may be personally disagreeable and inconvenient to you, Your Excellency will not leave the country you have loved so well until the clouds of war have completely passed away. We have fervent hope that His Imperial Majesty will be graciously pleased to consult the wishes of his Indian subjects and to allow India the substantial benefit of Your Excellency's sympathetic guidance till the war is over."

The Hon'ble Sir William Meyer :—"My Lord, I said in my speech in introducing the Financial Statement that the Budget for the coming year was framed by us under circumstances of peculiar difficulty and uncertainty. It is therefore a matter of sincere gratification to me, both on behalf of Your Excellency's Government and for myself in particular as Finance

Member, to find that the way in which we met the difficulties that confronted us, the manner in which we faced the situation without recourse to drastic cutting down of expenditure on the one side or the imposition of taxation on the other, has met with general approval throughout the country and that this has been so eloquently and unanimously voiced by our non-official Colleagues in Council. I think, too, that I may claim the same meed of approval for the special action taken from time to time by the Finance Department from the beginning of the war crisis. I thank my Hon'ble non-official Colleagues who have spoken for the very kind way in which they have referred to me personally; and it adds to my gratitude that I have not much to say in the way of a reply to criticisms, for I do not propose to travel outside matters that are cognate to the budget. This, My Lord, is a sort of recognised oratorical saturnalia; every member speaks of the things that are near to his heart; but as the Finance Member is also under a time limit he cannot be expected to follow all these devious paths and must keep to what actually belongs to his budget.

"Nor can I consider what the Hon'ble Mr. Banerjee and others have invited me to do; I cannot deal with what is going to happen when peace and plentl come back again—as I trust they will ere long—when that time comes we shay have to consider what we can do with, I hope, our abundant cash. In the meantime I am not going to be seduced by eloquence from Bengal or elsewherel into making any premature promises. I would only add a word of caution—that the end of the war is of course not necessarily the beginning of a new financial era; there will be a great deal of ground to make up and there will be also a good deal of temporary debt to defray.

"I will, however, make one exception to the rule I have laid down for myself. The Hon'ble Mr. Das pleaded for a member in this Council to represent the Indian Christian community. Well, although the Hon'ble Member specifically represents another constituency, he also represents the interests of his co-religionists so well that I wondered why this request was made, but, after a little cogitation, I think I have got the right reason. I have noticed on several occasions that the rigour of the time rule has brought down the guillotine on the Hon'ble Member when he was in the full flow of his eloquence. It is probable that if he could get a Colleague after his own heart, a brother of his soul, who might sit by him, he would, when the guillotine descended, pass on his manuscript and notes, and so the speech could be delivered in an entire form!

"The same Hon'ble Member complains of the want of special budget provision for the education of Indian Christians. Well, it is not usual to make special provision in budgets for education according to sects, but I must say I was a little surprised at this complaint of the neglect of his class, because I have always understood that the Indian Christian was exceedingly well-off for educational institutions, thanks to the activity of Missionary bodies for example, whose schools and colleges are largely subsidised by Government. And if my friend will look at actual results, he will find that the Indian Christians stand very high indeed in the educational scale.

"The Hon'ble Sir Gangadhar Chitnavis, Mr. Dadabhoy, Mr. Marshall Reid and Sir Fazulbhoy Currimbhoy dwelt on what I have said in regard to the possibility of borrowing in India next year. Well, I can only repeat here what I said in my speech on the Financial Statement that we hope to get 3 million pounds in India some way or other. We recognise that the circumstances are peculiar, and we must reserve to ourselves the consideration of the particular way in which we shall endeavour to do this. It would be quite premature to consider that matter now. The circumstances of the market, the circumstances of the political world, may have entirely changed before the time at which we usually bring out our loans. But I can say one thing in regard to what these Hon'ble Members have said, that of course the Government, in making any arrangements for next year, will have in mind, as far as possible, the safeguarding of the interests of the people who are in possession of existing Government securities. It would be very bad business on our part to do anything wantonly to depreciate our own paper, and we shall therefore take that

fact fully into consideration. I shall also keep fully in touch with commercial opinion through the Controller of Currency, Mr. Howard; and I am myself going down to Bombay presently. I think it is quite likely, though I cannot pledge myself yet, that when the time is more advanced, if things still seem difficult and uncertain, I may follow the example that has been urged upon me, that of Mr. Lloyd George, and, with Your Excellency's permission, have an informal conference with some representatives of the banking and commercial community. As I say, however, I cannot make any definite statement on that point yet. But I do hope that, if we have such a conference, the Bombay representatives will show themselves a little more courageous than my friend Mr. Marshall Reid. Mr. Reid commenced his speech by saying that although he accepted an eight million railway programme in the special circumstances of next year, as soon as things got normal again he was going to press not for a 12, but for a 15, million pound programme. That means, of course, extra borrowing, and I thought that Mr. Reid would go on to say that Bombay would help to find the money. Not so; he says 'provide more money for railways by all means, but for heaven's sake do not ask us to lend it to you; get the coin from somebody else.' Well, to those who ask Government to raise more money for capital enterprise I say that there must be two sides to every bargain, and if they want the Government to move they must do something to meet the Government.

"The Hon'ble Mr. Dadabhoy made some very interesting remarks about Post Office deposits and said that we should increase our present rate of interest. Well, our present rate of interest is 3 per cent, which is more liberal than what the Home Government gives and I think it is quite liberal enough as compared with our present borrowing rate. As we borrow in the open market at 3½ per cent, Mr. Dadabhoy would like us to pay 3½ per cent for our Post Office deposits also. But obviously there is all the difference in the world between the interest you pay for a loan which you do not have to repay except when you want to, and the interest which you pay on money which you have to pay out on demand, and which, as the circumstances of this year have shown, you may suddenly have to pay out to a large and inconvenient extent.

"The same Hon'ble Member was eager for more statistical information as regards education and sanitation, and epecially in regard to the expenditure of grants and so forth. Well, I endeavoured to give this in my last year's Budget speech as far as I could do so in a general way, and if my Hon'ble friend will refer to paragraphs 43 to 48 in my speech of last year he will find that I brought certain figures together. But when Mr. Dadabhoy asks for the same sort of information as is furnished by the Secretary's memorandum in respect of capital railway outlay, he must remember that in respect of capital railway outlay we are dealing with large projects of limited number which are entirely under our own control. Now as regards the outlay on education and sanitation, grants go from the Government of India to the Provinces, and the Provinces also make their own allotments from provincial funds. As these grants flow to the people through a vast variety of different channels, it would be quite impossible to have a statement showing expenditure on education and sanitation in the same way as expenditure on railways.

"The Hon'ble Mr Malaviya made some interesting remarks on export duties and import duties and Mr. Ghuznavi professed an ardent desire to pay more income tax. Well, these suggestions may prove useful if the time ever comes when we have to increase taxation, but I need not discuss them at present as we have decided not to do this now.

"The Hon'ble Mr. Malaviya referred to the taxation that was imposed in 1910, and said that it was that taxation that enabled the present Government to meet the existing crisis without putting on fresh taxes, implying that that taxation was imposed before its time. Well, that question was thoroughly debated at the time, but it will interest the Council, perhaps, to learn that the proceeds of that extra taxation come to about £1 million, and if Hon'ble Members will refer later on to that portion of my last year's speech to which I referred just now and look at paragraph 46 about grants to local Governments,

primarily for Education and Sanitation, they will find that besides large non-recurring grants we gave exactly a million pounds of permanent contributions to local Governments between 1911-12 and 1914-15 so that that may be taken against the extra taxation imposed in 1910. And of course there is another thing to be remembered on the other side, that we have lost about 3 million pounds recurring revenue under opium. So, although I should be the last person to belittle anything my predecessors have done—in fact, I think I tried to acknowledge their merits in the matter of finance very specially in my speech introducing the Financial Statement—still I do not think it can be fairly implied that we are entitled to no particular credit for not having imposed taxation this year because of the taxes imposed in 1910.

"The Hon'ble Pandit also referred to the land revenue and asked, why is the land revenue not coming down; and why is it going up? Well, that is a matter of course for my Hon'ble Colleague Sir Robert Carlyle rather than for myself, but I may say that land revenue naturally expands with the increase of cultivation. As regards the actual rates of land revenue, there was a very interesting enquiry, which the Hon'ble Pandit no doubt remembers, instituted by Lord Curzon about the year 1902, I think, and there are further discussions on the subject in the Chapter on Land Revenue in Volume IV of the Imperial Gazetteer.

"I think the Hon'ble Member will find there that, relatively, so far as the proportion which the Government takes, in comparison with the actual takings of the cultivator is concerned, the land revenue has not increased; it has decreased.

"The Hon'ble Raja Kushalpal Singh is very anxious about Feeder-line Companies. The Feeder-line Companies, I think, have shown their capacity to look after themselves. To my mind they are one of the most welcome features of the economic development of this country in recent years. You have got companies financed by indigenous capital opening out the country and earning a good rate of interest. And even during the present difficult circumstances, money is going on being subscribed. But the Hon'ble Member seemed to think that there was great rivalry between the feeder lines and the main lines. We had some correspondence with the Secretary of State on that subject not so many months ago, and the decision come to was that there was room for both. We came to the conclusion, and the Secretary of State entirely agreed, that there was room enough for various sorts of legitimate railway enterprise, and that the feeder companies were not suffering at all.

"The Hon'ble Mr. Surendra Nath Banerjee criticised the grant of time-scale allowances to Indian Civil Service and Police officers, and in so doing he also voiced an amount of criticism that I have seen in the press, for I can assure my Hon'ble friend that I do read the newspapers, including his own paper, the 'Bengalee.' I read his leading articles for political instruction, and I derive amusement from the letters of his London correspondent. I should like to explain more clearly what has happened in that matter. As Hon'ble Members will realise, there are two ways of paying the rank and file in any service, apart from the selection appointments at the top. You can have what is called a 'time-scale,' that is, a man gets so much on joining, and then his pay increases year by year—or it may perhaps be every two years or so; but it increases regularly by certain increments, provided, of course, he continues to do his work satisfactorily. As opposed to that, you may have what I may call a 'promotion scale.' Here there is no time-scale, but there are a certain number of grades and a certain number of posts in each grade. These carry specific rates of pay, and an officer's attaining to a particular grade or class does not depend directly on the length of his service, but has a certain amount of luck about it. It depends on the extent to which his seniors retire, or die or take leave, for leave gives him temporary promotion. Originally most of our big services were dealt with in this way, but of late years we have in a number of cases found the time-scale a more convenient method of payment, that is to say, for the rank and file; and many of the great services, Public Works, Education, Forests and so on, have been put on to a time-scale.

On the other hand, the Indian Civil Service and the Police remain on what I have called the promotion-scale. Well then, what is the result in a time like this ? It must be remembered that, even though you have a promotion-scale, you must have some sort of normal expectation of how things will go, not in any particular year, but throughout a period of say two or three years taken together. For instance in the Indian Civil Service, we carefully work out every year or so, with reference to recruitment, what the normal state of promotion ought to be. It has been recognised again that, an Indian civilian ought to be able to attain to what is called a superior appointment in a given period of time, and so on. When you have got an abnormal time ; when promotion is unduly blocked ; when, as the juniors would put it, people who ought to go, won't go ; or, as the state would put it, deserving officers remain on instead of retiring and on the top of this, leave is restricted or stopped, you get an abnormal block in a promotion-service. On the other hand, it does not affect a time-service at all, except to the minor extent that the top places which have special rates of pay may be filled more slowly. But apart from that, you may recall every man on leave and the juniors would still get their old rate of pay. When you get a promotion-scale and things are materially disturbed, that is to say the state of promotion is much slower than the normal rate which has obtained in past experience and tradition, it is not merely the existing members of the Service who suffer, but, unless something is done to remedy it, recruitment suffers; the calibre of your service is diminished for the future. We have had cases of that sort in the Indian Civil Service from time to time. I remember when I first came out in the early eighties, there was a block in promotion in Madras, and also in the United Provinces, which had led to the application of a minimum time-scale there. (I shall explain directly what this minimum time-scale exactly is.) Well in 1913, just before I joined the Government of India, it had been decided that there was again such an abnormal block in promotion, owing to people not being obliging enough to retire or die according to actuarial calculations, and also, to a certain extent, to over-recruitment during a series of years, that the Civilians in the United Provinces, the Punjab and the Central Provinces were getting far lower salaries than they had a right to expect, having regard, to the normal conditions of promotion for many years past. The Government of India, therefore, with the consent of the Secretary of State, gave what is called a minimum time-scale ; that is to say, they said that every man who had done a certain period of service should draw not less than a certain amount. But this minimum was not at all what the man would have drawn normally ; it was materially less than his normal expectation ; it was a certain *solatium* because it was thought unjust to the men themselves to undergo this sudden dislocation of their prospects without any palliative, and also, as I have said, because acute discontent in the service, which was thought to have some justice at the back of it, would re-act at home and prejudice future recruitment. Then, later on, the Government of Bombay asked for a similar application of the system to their Presidency and I would ask my Hon'ble friend to remember that the Government of Bombay contains as one of its members an Indian gentleman who had no previous connection with our Government services. Then came the circumstances of the present war, and it was thought desirable to recall officers from leave. They answered to the call most loyally, a great many of them, at very considerable personal loss. Many of them willingly surrendered leave they urgently required for the purposes of health and recuperation. The result of this was that all the normal expectations of acting promotion were disturbed, and after consideration, the Government of India, last autumn, thought it desirable that here again we should apply a minimum time-scale, which would be, as I say, a partial compensation, but would in no way be the equivalent of what the beneficiary would ordinarily be drawing in normal circumstances ; and that was necessarily applied to the whole of India. Then, after we had got the consent of the Secretary of State to that action in regard to the Indian Civil Service, we got his consent to similar action in regard to the Police. Of course it is open to any Hon'ble Member who does not agree, to argue that we might have done it for less and so on. But I do want the Council

to understand that our action was taken deliberately and with reference to what we thought the best interests of the country, having regard not merely to present members of the Services, but to the effect on future recruitment.

"I was sorry to hear the Hon'ble Mr. Abbott say that he thought India had not done enough in connection with this war, and compare our action with that of the Dominions, somewhat to the discredit of India.

"The contribution of India has not been limited to the amount of money we have given, substantial though that is compared to our resources, for I may bring to notice that without this contribution there would have been no deficit in 1914-15 and 1915-16 taken together. As my Hon'ble friend Pandit Madan Mohan Malaviya so aptly observed, we have contributed what is far more precious than silver and gold; we have contributed men. As Your Excellency observed some time ago in this Council, India has placed at the service of the Home Government in various parts of the world some 200,000 men, trained soldiers, whereas the forces of the Dominions, splendid fellows as they are, were, at the beginning of the war, largely untrained. India has not only done that; she has supplied munitions of war to a large extent to His Majesty's Government from her factories and from her arsenals; she has helped in supplying horses and mules; she has given to the full of what she possessed. And how was this possible? Because for many years India had been paying heavily for a splendid Army which was entertained, and necessarily entertained, for the defence of India. Well, India had been maintaining this Army long before the Dominions thought of doing anything, to speak of, in the way of military expenditure; and at the present period of stress, India placed a very great part of her Army which was, as I have said, primarily raised for other purposes, at the disposal of His Majesty's Government I cannot claim, of course, in any way to speak as a military expert, but I think I may say that the value of the Indian contingents who have done so splendidly in this war, the value of the Indian supplies of munitions of war, and so on, will prove to have been of most material assistance in determining the present campaigns. Besides that, there were the splendid offers from the Indian Chiefs to whom I referred in my speech on the Financial Statement, and I would like to add now the name of His Highness the Maharaja of Jaipur, who has since given 5 lakhs. My Lord, I do not want to be thought to belittle the Colonies in any way; but I love the people of India (Hear! hear!) I have served here for a generation and I cannot bear anybody to belittle India (Hear! hear! and applause), and to speak as though the part played by India in the war and her contribution to it, were in any way inferior to that of other parts of the Empire.

"I have nothing more to say, my Lord, except to express the hope that no unforeseen and untoward circumstances will cause any material reconsideration of the estimates we have made."

His Excellency the Viceroy:—"We are now approaching the close of another session of this Legislative Council, and before we disperse I would like to say a few words upon the budget and other matters of general interest.

"As regards the memorable budget which has been under discussion this session, it is a matter of much satisfaction to me that all its important decisions —those for example relating to taxation, capital outlay and borrowing—have commanded practically unanimous acceptance both inside this Council and beyond it. The imposition of additional taxation at the present time would not in our judgment have been justified, either by financial requirements or by the present economic condition of the country, and our attitude in this matter has, I think, been thoroughly understood and appreciated. As regards capital outlay, we have had to strike a mean. At a time like this, material development must inevitably be retarded. But our capital programme is an integral part of India's financial system, and must be maintained on a scale bearing some reasonable relation to past standards, if excessive hardship and

dislocation are to be avoided. Our borrowing arrangements naturally follow from the conclusions on these two points. We are fortunate in being able to see our way to carrying them through without straining our credit, or drawing to the full on reserves which may afterwards be required to meet the many contingencies of another year of war.

"Sir William Meyer's most interesting recital of the financial events of the war period brings out convincingly the inherent soundness and strength of India's financial position, and this has been recognised in every quarter. It is quite true that our revenue has suffered and that our resources have been depleted in other ways. This must be expected in a country whose fiscal system is so directly responsive, under almost every head of revenue, to fluctuating economic conditions, and whose Government performs so many financial functions besides that of looking after its own balances. We undoubtedly undertake in this country some heavy financial responsibilities, some indeed from which other Governments, the Home Government for example, are exempt. But we are in a position to say to-day, after eight months of war, that these responsibilities have been fully discharged, and that the strain which was thrown on us at the outset has now sensibly relaxed. At the same time we realise fully that another year of war must bring with it many unknown possibilities; and if further burdens are thus thrown upon our finances we are not unprepared to meet them.

"I turn now to the economic questions which have recently engaged my attention and that of my Government. The principal question under this head has been the high prices of wheat. When I addressed you at the beginning of this session, we had already restricted the exports from December to the end of March to a fixed quantity, in order to secure that only a limited proportion of the surplus remaining over from the old crop should be exported, and we had also taken powers to inquire into the existence of stocks, and, if necessary, to take over such as might be unreasonably withheld. The inquiries conducted by local Governments showed, however, that such stocks were not in existence, and further action in this direction could have had no good effect. It was, therefore, apparent that the only possible policy was to do what we could to relieve distress by cheap grain shops and the like, and to await the effect on prices of the new crop which usually begins to operate some time in February. World prices, however, continued to rise, and it became necessary in the interests of the Indian consumer to take steps which would ensure the effect of the new crop making itself felt as soon as possible. No ordinary measures would have sufficed, and the urgency of the situation called for decisive action. We accordingly issued the announcement that all private export of wheat would be prohibited on and after the 1st April. Our object was to ensure that as supplies of the new crop, which, I am glad to say, promises to be one of the finest on record, began to be marketed, they should be used to relieve the undoubted shortage in India instead of being attracted to other countries by the high prices prevalent in the markets of the world. The results of this announcement were immediately beneficial and prices promptly declined to a more reasonable level. At the same time we have not neglected our responsibilities to the cultivator and to Indian trade. There is every sign that there will be an unusually large surplus this year available for export, and while we intend to keep export under our own control in order that prices may not be driven up again by sudden and execessive exportation, we are equally desirous of allowing our export trade to be carried on, so far as is compatible with the interests of the Indian consumer. I trust that this double object will be achieved by the scheme which has already been laid before Council in a recent debate. Under this scheme we shall keep the control of purchases for export in our own hands, and we hope thus to be able to ensure a moderate level of prices, to safeguard the consumer, and yet not to disappoint the cultivator of his legitimate profits. The fact that we shall have created an artificially low level of prices in India, as compared with prices in the other markets of the world, implies that export may be conducted on a considerable margin of profit. We hope to make arrangements by which such profits as may accrue to the State under this

scheme will not be utilized, as is our revenue from normal sources, to meet the ordinary expenses of administration, but will be devoted to some special purpose for the advantage of the people. It is not possible for me now to say what this will be, but I have noted with sympathy the feeling expressed during the debate in my Council in favour of such profits as may accrue being expended for the benefit of the agricultural classes.

"In addition to the control of wheat, my administration has had to bear its part in the policy which is being so vigorously and successfully prosecuted by the Imperial Government for preventing supplies of food-stuffs and raw materials reaching the countries with which we are at war. The strictest watch has been kept upon our trade with neutrals. Prohibitions and restrictions have been imposed where necessary, and I have pleasure in testifying to the readiness with which the commercial community has submitted to these necessary interferences with the ordinary course of trade. Trading in India by firms or companies containing a hostile element has been put an end to, and the process of closing down such businesses is being carried into effect with due caution in order to avoid possible injury to Indian and British interests. At the same time, my Government have been giving such assistance as they can to Indian industries in its endeavours to take advantage of the opportunity for expansion afforded by the cessation of imports from Germany and Austria and other continental countries affected by the war. I should like to add that the whole question of promotion of industrial development in India is one which has been and is receiving the most careful consideration of myself and my Government, and I am glad to find from the prominent place which it has taken in the debates of my Council this session, that it is also occupying the minds of public men in India. The present time, when commerce and finance are naturally disturbed by a great war, when men's minds can hardly be expected to look on economic problems from their normal angle, is not in my judgment a suitable moment for taking special action or for initiating special inquiries as to how best this end may be achieved. But it is a question, the importance of which is very present in my thoughts, and it is one which I shall hope to see taken up vigorously and effectively as soon as normal conditions have supervened.

"Since I last addressed you on the subject of the war in Europe, the position of the Allies in Flanders has been maintained and improved, while in Eastern Prussia and Poland the tide of war has ebbed and flowed. The recent success, at Neuve Chapelle, in which the Indian Army Corps took so prominent a part has been a source of satisfaction to us all. In the meantime, the British fleet has maintained its absolute supremacy and having swept German commerce from off the seas, recently administered a severe punishment to a German squadron that wished to make a further bombardment of unprotected towns on the British coast. The economic pressure created by our supremacy at sea is gradually having its effect in Germany and the piratical policy now being pursued by German submarines is proof of the extent to which that pressure is being felt. Happily the efforts of the German submarines have met with very little success, and their number is diminishing under the losses that they have experienced. In any case such a policy can have no possible effect on the eventual result of the war, and there can be no doubt that the day of triumph of the Allies who are making huge sacrifices for the right of all free nations to live their own lives and follow their own destinies is slowly but surely dawning, when the monstrous theory that one military nation can impose by brute force her will and barbarous code of civilization upon all others will be finally shattered and hurled into utter oblivion and darkness.

"In the Near East, Turkey is beginning to experience the folly of the policy into which she has been forced by the reckless disregard by a small military clique under German tutelage of her best and highest interest.

"On every side where the Turkish forces have been engaged in fighting against the Allies they have met with reverses, and the moment is rapidly

approaching when, if the Turkish Government are sufficiently wise, they will throw themselves on the mercy of the Allies and thus free themselves from the German yoke.

"As an indication of how little the so-called Turkish Government is in touch with the real sentiments of the Turkish people, I may mention that a few weeks ago I saw a letter written by a resident in Constantinople in which, after describing the oppression and exaction of the military authorities, the confident opinion of the middle and lower classes of the Turks was expressed in the saying that 'it will be all right when the British fleet comes up'.

"As you are aware, I paid a short visit to the Persian Gulf and to Basrah a few weeks ago. It was a great pleasure and advantage to me to have an opportunity of inquiring into the whole economic, commercial, and political situation of the province of Basrah, and also to visit our troops in their advanced posts within six or seven miles of the Turkish Camp, which was plainly visible and to congratulate them on their prowess and splendid bearing. One could not but feel very proud of them all. I had also time to visit the hospitals in Basrah and was glad to be able to verify the fact that all the sick and wounded British and Indian troops are being well and carefully tended.

"As regards the province of Basrah it struck me as one of immense potentialities. Under Turkish misrule it has greatly suffered and the population of the surrounding country is consequently very sparse. At small expense the city of Basrah might become a splendid port, and the port of exit of all the trade of Mesopotamia and Northern Persia. Merely the fringes of the Shat-el-Arab have so far been cultivated, but the soil is extremely fertile and only the most elementary schemes of irrigation are required to extend indefinitely the area under cultivation. The climate is splendid and resembles that of the Northern Punjab. I cannot conceive of a country more suitable for Indian immigration in the future when a more stable form of Government has been established. That country may then really become a garden of Eden and blossom like a rose.

"You are aware of the declaration made by the British, French, and Russian Governments of the inviolability of the holy places and of the freedom of Jeddah from attack so long as there was no interference with the Indian pilgrims. Solicitude for the welfare of pilgrims generally prompted His Majesty's Government, on hearing that there was a shortage of food-stuffs at Jeddah and Mecca, to arrange for supplies to be sent there for distribution by the Italian Consul at Jeddah. I regret to state that the Turkish authorities, in spite of the protests of the Italian Consul, have seized for military purposes a cargo of 30,000 sacks of barley destined for the pilgrims. Until, therefore, we are able to receive some definite assurance that any further supplies that may be sent will reach their proper destination, it will be impossible for His Majesty's Government to make any further similar arrangements.

"On the North-Western frontier the situation remains normal; and although there have been attacks on our advanced posts by trans-frontier tribesmen, they have been gallantly and successfully repelled by our troops, militia, and tribal levies.

"It has been with a sense of profound regret that I have learnt that an address to His Majesty the King-Emperor against the draft Proclamation creating an Executive Council for the United Provinces has been carried by the House of Lords. It appears that out of a total of nearly 650 Peers of the Realm and in a House of only 73 Peers, the motion against the draft Proclamation was carried by 47 votes to 26. No information has been received of any similar motion in the House of Commons, and we may therefore conclude that the Proclamation has not been rejected by Parliament as a whole. As you are aware, the Proclamation was approved by the Governor General in Council, by the Secretary of State in Council, and by His Majesty's Government, and, in accordance with the law, was laid upon the table in both Houses of Parliament. It may seem to you, as it does to me, a matter of

serious concern that it should be within the power of a small body of Peers, who perhaps hardly realise the rate of progress made in this country during the past few years to throw out a proposition put by the Government of India and His Majesty's Government before Parliament with the full approbation of Indian public opinion. It seems clear to me, under the circumstances, that a modification of the law by which such procedure is possible is absolutely essential, and I trust that this will be recognised by His Majesty's Government.

"Nobody can reasonably contend that, with the advance of civilisation entailing the discussion and solution of new questions of ever-increasing complexity arising every day, one-man Government is better than Council Government. The principle of Executive Councils for local Governments by which the local administration is less dependent upon the personal equation and which ensures a greater continuity of policy has already taken root in India and cannot now be eradicated. Moreover the inclusion of an Indian gentleman in the Council of a province is to my mind a source of great strength to the Governor or Lieutenant-Governor. I speak from my own experience, and have no hesitation in saying, without any idea of flattery, that the presence of my friend Sir Ali Imam on my Council and his knowledge and experience are and have been of the greatest possible advantage to me and my Government. I can well understand that all educated people of this country will be disappointed at the result of the action of a small party in the House of Lords, but I would ask them not to be depressed, for I regard the proceedings of the 16th March in the House of Lords as only a temporary set-back, and I feel as confident that the United Provinces will have its Executive Council within a very short period as that the dawn will follow the night.

"The activities of the Council during the current session have necessarily been circumscribed by the decision to avoid as far as possible all controversial business. Nevertheless some measures of importance have come under your consideration. I need only refer to the measure recently passed in this Council to secure the defence of India and the public safety, in order to express the thanks of Government for your loyal co-operation in enacting that measure. Another Bill of importance has also been passed in this Council, namely, the Assam Labour and Emigration Act, which I hope will mark a stage in our efforts to remove abuses attendant on the present system of emigration and in securing that the welfare of labourers recruited to Assam is adequately safeguarded. The only other measure of importance to which I need allude is the Benares Hindu University Bill which was introduced into this Council on the 22nd. It will be a source of gratification to me if this measure becomes law during my tenure of office as Governor General. It is too early to speak of the possible effects of this Bill, but I have every hope that it will do much to promote the cause of education and to encourage learning and research amongst all classes.

"In the discussion of resolutions, though the range of subjects has also been limited by the exclusion of controversial matters, much valuable experience has been gained. I may refer to the discussion on the export of wheat as particularly instructive. It enabled the Government to ascertain the views of the Council on the subject and to make an important and effective pronouncement of its policy. The discussion on the management of State Railways was of equal importance and interest In these circumstances, although our session this year has not been a full one, I think we may congratulate ourselves that we have done a considerable amount of useful work in spite of the difficulties which have confronted us.

"I wish also to say one word of a personal nature. I thank you for the kind words that so many of you have been so good as to speak of myself and my administration. I am very grateful and shall always treasure those words, but I have only done my duty; and although I love India and wish always to do my duty towards her, the question of the duration of my stay in India is not one that is in my hands.

"With these few words I will now conclude, and in adjourning this Council *sine die*, I wish you all a very happy return to your homes."

The Council adjourned *sine die*.

W. H. VINCENT,

Secretary to the Government of India,
Legislative Department.

DELHI;

The 30th March, 1915.

PRINTED BY SUPERINTENDENT GOVERNMENT PRINTING, INDIA, DELHI.

00134391

Digitized with financial assistance from

Government of Maharashtra

on 01 February, 2020